

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements
for the year ended 30 June 2015 (2014 Restated)

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

General Information

Legal form of entity	Municipality (MFMA)
Municipal demarcation code	WC025
Nature of business and principal activities	The main business operations of the municipality is to engage in local governance activities, which includes planning and promotion of integrated development planning, land, economic and environmental development and supplying of the following services to the community: Rates and general services - All types of services rendered by the municipality, excluding the following; Housing services - Supply housing to the community and includes the rental of units owned by the municipality to public and staff; Waste management services - The collection, disposal and purifying of waste, refuse and sewerage; Electricity services - Electricity is bought in bulk from Eskom and distributed to the consumers by the municipality; and Water services - Supplying water to the public
Mayoral committee	
Executive Mayor	A. Steyn
Councillors	J.D. Levendal (Deputy Executive Mayor) M. Sampson (Speaker) R.Faroa (Chief Whip) W.M. Blom A.M. du Toit S. Goedeman A.E. Jordaan W.R. Meiring S.J. Mei E.Y. Sheldon J.F. van Zyl
Accounting Officer	G.F. Matthyse
Chief financial officer (CFO)	D. McThomas
Grading of local authority	Councillors Grade 4 Personnel Grade 10
Capacity of local authority	High
Registered office	Civic Centre Baring Street Worcester 6850
Postal address	Private Bag X3046 Worcester 6849
Bankers	ABSA Bank Limited
Auditors	Auditor-General of South Africa

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Index

The reports and statements set out below comprise of the annual financial statements presented to the Council:

Index	Page
Accounting Officer's Responsibilities and Approval	4
Accounting Officer's Report	5 - 6
Report of the Auditor-General	7
Statement of Financial Position	8
Statement of Financial Performance	9
Statement of Changes in Net Assets	10
Cash Flow Statement	11
Statement of Budget Comparison	12 - 14
Accounting Policies	15 - 45
Notes to the Annual Financial Statements	46 - 100
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Appendix A: Schedule of External loans	101 - 102
Appendix B: Analysis of Property, Plant and Equipment	103 - 106
Appendix C: Statistical Information	107
Appendix D: Disclosure of Grants and Subsidies in terms of the MFMA	108 - 109
Appendix E: Disclosure and Awards in terms of the Supply Chain Management Policy	110 - 111
Appendix F: A2 - Budget Financial Performance (revenue & expenditure by standard classifications)	112
Appendix G: A3 - Budget Financial Performance (revenue & expenditure by Municipal Vote)	113
Appendix H: A4 - Budget Financial Performance (revenue & expenditure)	114
Appendix I: A5 - Budget capital expenditure by vote, standard classification and funding	115 - 116
Appendix J: Budget Cash Flow	117
Appendix K: Deviations from and ratification of minor breaches of procurement process	118 - 135
Appendix L: Schedule of Investments as at 30 June 2015	136 - 137

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Index

Abbreviations

DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the annual financial statements and related financial information.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122 (3) of the Municipal Finance Management Act (Act 56 of 2003).

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

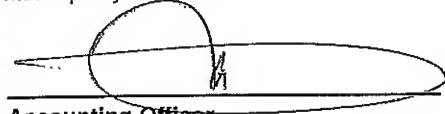
The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within Predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2016 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's auditors.



Accounting Officer
31 August 2015

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2015.

1. Review of activities

Main business and operations

Breede Valley Municipality is situated in the Western Cape Province, 120 km north-east of Cape Town. Included in its boundaries are Worcester, Rawsonville, De Doorns and Touwsrivier and surrounding rural areas. It covers 3833 sq. km and is home to 166 825 people.

The municipality is set between three mountain ranges, incorporating some of the most valuable and fertile agricultural land in the country. The area is endowed with a diverse cultural history, regional accessibility and unique natural beauty that attract a great number of tourists.

The operating results for the year were pleasing for the following reasons. The financial position of the municipality is described to be sound, with an accumulated surplus of R 1 658 989 804 at year-end.

Net surplus of the municipality was R 46 056 142 (2014: surplus R 59 597 076). The overall summarised operating results for the Municipality in comparison to the approved budget are shown in the Statement of Financial Performance and also reflects a summary of income and expenditure.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The solvency analysis shows that assets cover the liabilities by 392.25% (2014: 367.01%). The coverage indicates that the Municipality operates as a going concern.

3. Subsequent events

During August 2015 the write off of the receivable created for the system error of overtime was approved by Council and was processed through the system.

The accounting officer is not aware of any other matter or circumstance arising since the end of the financial year.

4. Accounting policies

The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. Borrowing, investments and cash

The accounting officer may after approval of the Council exercise all the powers of the Municipality to borrow money, as he considers appropriate needs. Interest-bearing debt did not increase in the year ended 30 June 2015 to finance the Municipality's infrastructure capital programme. In the financial year ended 30 June 2015 the Municipality redeemed interest-bearing debt of R 26 586 467. The interest paid on borrowings as a percentage of total expenditure is 3.20% (2014: 3.89%).

Investments as at 30 June 2015 amounted to R 30 000 000 (2014: R 85 000 000). Investments and cash and cash equivalents decreased from R 167 173 774 to R 136 930 779.

Additional information regarding cash and cash equivalents, investments and loans is provided in notes 3, 9, 18 and Appendix A to the Financial Statements.

6. Capital expenditure

The capital expenditure incurred during the year amounted to R 75 896 313 (2014: R 127 824 963) that represented 77.73% (2014: 90.01%) of the approved capital budget of R 97 646 145 (2014: R 142 011 455). A complete analysis of capital expenditure (budgeted and actual) per functional area is included in Appendix I (A5), while Appendix B contains detail according to the asset class. More details regarding external loans used to finance fixed assets are shown in Appendix A.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Officer's Report

7. Cash flow analysis

Details of major changes in the nature of the non-current assets of the municipality during the year were as follows:

Summary of net cash flows	2015 R	2014 R
Cash from operating activities	64 264 502	152 841 572
Cash from investing activities	(13 411 854)	(164 366 743)
Cash from financing activities	(26 095 643)	(28 289 920)
Net increase/(decrease) in cash and cash equivalents	<u>24 757 005</u>	<u>(39 815 091)</u>

8. Credit rating

The entity was rated by Moody's Investor Services during the 2014 financial year. Their rating and outlook for the Municipality was a Baa1.za rating due to the negative outlook on South African sovereign rating. To monitor our credit rating and capacity for long-term financing we consider various qualitative and quantitative factor. At 30 June 2015 and 30 June 2014 the current ratio was 1.62:1 and 1.46:1 respectively. This reflects an increase in the ratio.

9. Accounting Officer

The accounting officer of the municipality during the year under review of this report is as follows:

Name	Nationality
G.F. Matthyse	South African

10. Auditors

Auditor-General of South Africa will continue in office for the next financial period as per the Public Audit Act.

Report of the Auditor-General

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Statement of Financial Position as at 30 June 2015

Figures in Rand	Note(s)	2015	2014 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	106 930 779	82 173 774
Receivables from exchange transactions	4	69 430 330	59 596 628
Receivables from non-exchange transactions	5	21 489 615	20 222 928
Other receivables from exchange transactions	6	6 703 095	6 526 071
Inventories	7	11 860 000	29 109 041
VAT receivable	8	1 654 931	1 818 127
Short term investments	9	30 000 000	85 000 000
Long term receivables	14	1 390 502	2 464 620
		249 459 252	286 911 189
Non-Current Assets			
Investment property	10	8 589 700	8 029 450
Property, plant and equipment	11	1 918 777 395	1 870 583 345
Intangible assets	12	5 545 517	5 221 314
Heritage assets	13	36 631 059	36 408 850
Long term receivables	14	7 656 789	10 176 824
		1 977 200 460	1 930 419 783
Total Assets		2 226 659 712	2 217 330 972
Liabilities			
Current Liabilities			
Payables from exchange transactions	15	75 035 428	91 786 894
Consumer deposits	16	3 680 760	3 308 208
Unspent conditional grants and receipts	17	24 350 185	50 409 982
Long term liabilities	18	24 626 860	26 468 195
Employee benefit obligations	19	25 218 530	24 414 050
Provisions	20	878 607	-
		153 790 370	196 387 329
Non-Current Liabilities			
Long term liabilities	18	203 546 176	228 173 036
Employee benefit obligations	19	133 900 872	153 718 992
Provisions	20	76 432 490	25 880 078
		413 879 538	407 772 106
Total Liabilities		567 669 908	604 159 435
Net Assets		1 658 989 804	1 613 171 537
Accumulated surplus		1 658 989 804	1 613 171 537

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Statement of Financial Performance

Figures in Rand	Note(s)	2015	2014 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	21	429 072 338	399 502 448
Income from agency services		5 906 686	5 225 101
Licences and permits		2 845 741	2 759 893
Rental income	22	13 175 489	11 298 141
Other income	23	12 047 841	10 641 221
Finance income	24	13 578 212	12 164 473
		476 626 307	441 591 277
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	94 472 885	88 096 043
Property rates - penalties imposed and collection	25	808 892	779 100
Transfer revenue			
Government grants and subsidies	26	218 465 592	207 707 719
Fines, penalties and forfeits	27	28 376 175	45 226 265
		342 123 544	341 809 127
Total revenue		818 749 851	783 400 404
Expenditure			
Employee related costs	28	(207 962 643)	(198 627 762)
Remuneration of councillors	29	(14 511 266)	(13 693 297)
Doubtful debt	30	(26 649 986)	(50 814 912)
Depreciation, amortisation and impairment	31	(75 909 076)	(68 599 291)
Rehabilitation	20	(2 974 893)	(1 761 561)
Bulk purchases	32	(223 818 120)	(207 240 966)
Finance costs	33	(25 945 950)	(28 637 978)
Collection costs		(222 707)	(198 886)
Repairs and maintenance		(60 863 899)	(45 908 918)
Contracted services	34	(8 317 329)	(7 667 079)
Grants and subsidies paid	35	(194 600)	(131 600)
Contributions to employee benefits	36	(19 185 691)	(16 736 264)
General expenses	37	(143 734 348)	(95 243 241)
		(810 290 508)	(735 261 755)
Operating surplus		8 459 343	48 138 649
Actuarial gains/(losses)	36	35 481 150	(10 180 769)
Fair value adjustments	38	2 530 397	21 733 727
(Loss)/gain on disposal of assets		(414 748)	(94 531)
		37 596 799	11 458 427
Surplus for the year		46 056 142	59 597 076

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2013 as previously stated	1 558 067 948	1 558 067 948
Adjustments		
Correction of errors	(4 964 678)	(4 964 678)
Restated balance at 01 July 2013	1 553 103 270	1 553 103 270
Changes in net assets		
Net income recognised directly in net assets	471 190	471 190
Surplus for the year	59 597 077	59 597 077
Total changes	60 068 267	60 068 267
Balance at 30 June 2014	1 613 171 541	1 613 171 541
Changes in net assets		
Net income recognised directly in net assets	(237 878)	(237 878)
Surplus for the year	46 056 141	46 056 141
Total changes	45 818 263	45 818 263
Balance at 30 June 2015	1 658 989 804	1 658 989 804

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Cash Flow Statement

Figures in Rand	Note(s)	2015	2014 Restated*
Cash flows from operating activities			
Receipts			
Cash receipts from services and rate payers		545 833 336	513 852 219
Cash receipts from government and other grants		193 983 674	223 003 953
Finance Income: investing activities		13 740 343	11 876 672
		<u>753 557 353</u>	<u>748 732 844</u>
Payments			
Cash paid to employees		(225 192 090)	(215 172 026)
Cash paid to suppliers		(438 600 729)	(352 614 284)
Finance costs		(25 305 432)	(27 973 362)
Grants paid		(194 600)	(131 600)
		<u>(689 292 851)</u>	<u>(595 891 272)</u>
Net cash flows from operating activities	40	<u>64 264 502</u>	<u>152 841 572</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(74 797 270)	(113 393 472)
Proceeds from sale of property, plant and equipment	11	1 019 026	1 766 383
Proceeds from sale of investment property	10	-	1 353 400
Purchase of intangible assets	12	(787 044)	(572 778)
Purchases of heritage assets	13	(110 000)	-
Decrease in long term receivables		6 263 434	1 479 724
Decrease in investments		55 000 000	(55 000 000)
Net cash flows from investing activities		<u>(13 411 854)</u>	<u>(164 366 743)</u>
Cash flows from financing activities			
Repayment of long term liabilities		(26 468 195)	(28 503 504)
Movement in consumer deposits		372 552	213 584
Net cash flows from financing activities		<u>(26 095 643)</u>	<u>(28 289 920)</u>
Net increase/(decrease) in cash and cash equivalents		24 757 005	(39 815 091)
Cash and cash equivalents at the beginning of the year		<u>82 173 774</u>	<u>121 988 865</u>
Cash and cash equivalents at the end of the year	3	<u>106 930 779</u>	<u>82 173 774</u>

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Statement of Budget Comparison

WC025 Breede Valley - Reconciliation of Table A1 Budget Summary

WC025 Breede Valley - Reconciliation of Table A1 Budget Summary													
Description													
	2014/15									2013/14			
R thousands	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome	
	1	2	3	4	5	6	7	8	9	10	11	12	
Financial Performance													
Property rates	93 731	-	93 731	94 992		1 261	101.3%	101.3%				88 604	
Service charges	428 685	(3)	428 682	435 222		6 540	101.5%	101.5%				403 769	
Investment revenue	7 200	-	7 200	10 592		3 392	147.1%	147.1%				9 428	
Transfers recognised - operational	127 076	21 602	148 677	160 117		11 439	107.7%	126.0%				117 722	
Other own revenue	48 892	38 098	86 790	62 919		(23 871)	72.5%	129.2%				96 895	
Total Revenue (excluding capital transfers and contributions)	705 383	59 697	765 080	763 841		(1 239)	99.8%	108.3%				716 418	
Employee costs	234 581	(14 933)	219 647	207 949		(11 698)	94.7%	88.6%				198 628	
Remuneration of councillors	14 522	15	14 537	14 511		(26)	99.8%	99.9%				13 693	
Depreciation & asset impairment	69 304	-	69 304	75 909		6 605	109.5%	109.5%				68 599	
Finance charges	25 867	-	25 867	25 946		79	100.3%	100.3%				28 638	
Materials and bulk purchases	287 301	882	288 183	285 329		(2 854)	99.0%	99.3%				254 292	
Transfers and grants	200	-	200	195		(5)	97.3%	97.3%				132	
Other expenditure	122 029	51 765	173 795	165 295		(7 501)	95.7%	136.3%				182 822	
Total Expenditure	753 804	37 730	791 534	776 134		(15 400)	98.1%	103.0%				746 804	
Surplus/(Deficit)	(48 420)	21 967	(26 453)	(12 293)		14 161	46.5%	25.4%				(30 386)	
Transfers recognised - capital	50 377	9 887	60 263	58 147		(2 116)	96.5%	115.4%				76 127	
Contributions recognised - capital & contributed assets	-	-	-	202		202	#DIV/0!	#DIV/0!				13 859	
Surplus/(Deficit) after capital transfers & contributions	1 956	31 854	33 810	46 055		12 246	136.2%	2354.2%				59 600	
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-				-	
Surplus/(Deficit) for the year	2	32	33 810	46		12 246	136.2%	2354.2%				60	
Capital expenditure & funds sources													
Capital expenditure	53 490	6 774	60 263	58 147		(2 116)	96.5%	108.7%				76 127	
Transfers recognised - capital	-	-	-	202		202	#DIV/0!	#DIV/0!				13 859	
Public contributions & donations	12 316	6 683	18 999	2 221		(16 777)	11.7%	18.0%				24 422	
Borrowing	16 200	2 183	18 384	15 326		(3 058)	83.4%	94.6%				13 417	
Internally generated funds	-	-	-	-		-	-	-				-	
Cash flows													
Net cash from (used) operating	66 143	81 309	147 452	64 265		(83 188)	43.6%	97.2%				152 842	
Net cash from (used) investing	(81 806)	(97 346)	(178 952)	(13 412)		165 540	7.5%	16.4%				(164 367)	
Net cash from (used) financing	(26 218)	(26 218)	(52 436)	(25 096)		26 341	49.8%	99.5%				(28 290)	

BREED VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2015
Statement of Budget Comparison

Material Variance Explanations 30 June 2015

Description	Final Budget 30 June 2015	Revenue/ Expenditure 30 June 2015	% Variance/ Variances greater than R50 000	Reasons for Material Deviations	Impact on Service Delivery
Revenue By Source					
Service charges - water revenue	48 109 531	60 465 314.21	26%	Higher consumption of residential water as anticipated	Positive
Service charges - refuse revenue	29 755 480	31 385 928.83	5%	More revenue recognised from residential refuse collection as anticipated	Positive
Service charges - other	-22 880 140	-25 424 925.27	11%	More departmental levies on Electricity and Water recognised as anticipated	None
Interest earned - external investments	7 200 000	10 591 657.62	47%	Additional interest received on the current account at ABSA bank. All additional cash on hand are invested to maximise returns	Positive
Interest earned - outstanding debtors	2 521 760	2 986 554.13	18%	Electricity Revenue are under-collected, thus is more interest on outstanding debtors incurred as anticipated	Positive
Fines	52 642 370	28 376 174.96	-46%	The Provision for Bad Debts: Traffic Fines was reduced as a result of fewer outstanding traffic fine debtors	None
Licences and permits	3 451 790	2 845 740.53	-18%	Less people renewed their driver licences as anticipated	None
Agency services	5 300 000	5 906 686.37	11%	More vehicle registration fees collected as anticipated	Positive
Transfers recognised - operational	148 677 475	160 116 624.27	8%	Unutilized Provincial Housing Grant from 2013/2014 was recognised as Income In 2014/2015	Positive
Gains on disposal of PPE	489 594	908 136.74	85%	More gains from assets that were written off as anticipated (Insurance Claims)	Positive
Expenditure By Type					
Employee related costs	219 647 118	207 949 411.48	-5%	Only critical vacant positions are currently advertised and filled as a result of the TASK Implementation and Job Description processes not yet finalised	None
Debt impairment	48 013 272	26 649 986.17	-44%	The Provision for Bad Debts: Traffic Fines was reduced as a result of fewer outstanding traffic fine debtors	None
Depreciation & asset impairment	69 304 444	75 099 076.34	10%	Additional depreciation was calculated after the "Review of Useful Lives" process, and also after the unbundling of capitalised assets	None
Contracted services	7 677 835	8 317 328.83	8%	Higher spending on security services as anticipated	None
Other expenditure	117 816 820	130 004 390.33	10%	Housing Top Structure expenses from 2013/2014 was recognised as operating expenditure after the handing over of properties to owners (Grap12)	None
Loss on disposal of PPE	287 640	1 322 884.66	360%	More losses from assets that were written off as anticipated (Insurance Claims)	None
Capital Expenditure					
Technical Services					
Public Toilets - Touwsrivier: New	780 000	149 440.00	630 560	Completion dated 17 July 2015, Contractor approx. 5 weeks behind programme.	None, Rolled over to 2015/16 financial year
Stettynskloof Water Supply (Worcester/Rawsonville)	31 048 156	15 395 735.45	15 652 421	Contractors behind schedule.	None, Rolled over to 2015/16 financial year
Equipment :Water.	250 000	192 511.14	57 489	The allocation was a global amount and expenditure was limited to essential items.	None, Services required was delivered
Digger Loader	672 377	598 810.06	73 567	Saving on project	None, Project completed
Development of Parks	1 250 000	1 011 744.88	238 255	The planning and executing started late due to a lack of personnel	None: Most of the projects were completed.
Rawsonville WWTW: Alterations	1 293 255	934 937.85	358 317	Saving on project. The 2015/16 FY budget will increase.	None, Rolled over to 2015/16 financial year
Worcester WWTW: Replace mechanical Grids & Control equipment	241 167		241 167	Saving on Project	None, Project completed
Electricity Network Extensions	360 000	242 525.77	117 474	Fewer applications for new connections received	None, Services required was delivered
Water Connections	180 000	128 725.35	51 275	Fewer applications for new connections received	None, Services required was delivered
Aan de Doorns 66/11kV Substation	881 827	704 026.89	177 801	Delay in Escom connection	None, Rolled over to 2014/15 financial year
Land for Housing: T/River	-	3 000 000.00	(3 000 000)	The amount of R3million was a grant from the DoHS that was an adjustment from their side to pay for the cost of acquiring the land in Touwsriver. The funding was received during March / April 2015	None, Service required was delivered
Sunnyside Orchards Development: Services	3 045 744	-	3 045 744	The Rawsonville top structures was used as an mitigator for this projects - no service provider was appointed for this project	None, Service required was delivered
Community Services					
Upgrading of Cricket nets - Boland park	150 000	59 700.00	90 300	Savings	None, Service required was delivered
Upgrading of Netball Courts - Esselen Park	500 000	416 500.00	83 500	Savings	None, Service required was delivered
Upgrading of Cricket nets - Esselen Park	175 000	58 590.00	116 420	Savings	None, Service required was delivered
Slaghoek Wheely Wagon	819 324	622 630.29	296 694	Savings - but will be rolled over	None, Service required was delivered
New Library - Avian Park	2 800 000	1 324 302.35	1 475 698	Roll over - project started late due to appointment of project management consultants, Contractor managed to secure a cheaper service provider for the installation of a modular unit. Awaits approval for roll over for 2015/2016 (New Avian Park Project)	None, Service required was delivered
Fire Engine	1 136 407		1 136 407	Funding was part of the adjustment budget - tender processes completed and order placed, Delivery times of 6-8 months.. Roll over - Project manager was only appointed in October 2014 and the contractor was appointed in 2015 and could only start with the project in April 2015. Awaits approval for roll over for 2015/2016 to complete project.	None, Service required was delivered
Financial Services					
Safeguarding of Assets	400 000	179 439.76	220 560	Fewer requests received than anticipated.	None, Service required was delivered
Insurance claims	300 000	147 254.27	152 746	Fewer claims than anticipated	None, Service required was delivered
Software: SCU and Contract Management Modules	382 000	283 927.31	98 073	Training not concluded on newly installed software	None, services still rendered as required
	-				

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Statement of Budget Comparison

Material Variance Explanations 30 June 2015

Description	Final Budget 30 June 2015	Revenue/ Expenditure 30 June 2015	% Variance/ Variances greater than R50 000	Reasons for Material Deviations	Impact on Service Delivery
Strategic Support Services	-	-	-		
Refurbish Offices and Council Chambers	450 000	217 582.16	232 418	Structural engineer appointed to investigate further upgrading of offices and possibility of structural deficiencies.	None
De Doorns Office Upgrading - Disabled friendly	150 000	95 234.34	54 766	Project finalised less than budgeted	None. Project completed
Kleinplasie : Equipment	-	353 285.59	(353 286)	Movable assets received from Landbou genootskap - related to a memorandum of agreement	None. Project completed
Municipal Manager	-	-	-		
Specialised vehicle for Disabled	400 000	-	400 000	Only capital budget available. Purchase of vehicle without the budget to operate it would have resulted in a non-functional asset and no NGO was willing to carry the operational costs	None. Service wasn't available before and isn't a basic service.
Statue : Mr Mandela		110 000.00	(110 000)	Neither the donor nor the sculpture could provide us with a value for the statue. A value could only be obtained from The Vaktator Group on 22/07/2015	None: Statue was available to the public.

Virements to Final Adjustment Budget (Reconciliation of Budget Summary)

Total Expenditure	
Employee related costs	Changes between the Final Budgeted amounts and the Final Adjustment Budget of 07 April 2015: Virements was approved by the Chief Financial Officer and it was done in line with the Approved Virement Policy of 2014/2015.
Other materials	
Contracted Services	
Other expenditure	
Cash flow	
Cash/ Cash Equivalents at the year end.	Changes between the Final Budgeted amounts and the Final Adjustment Budget of 07 April 2015: Virements was approved by the Chief Financial Officer.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1 Presentation of Annual financial statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures have been rounded to the nearest rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that effect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables

The municipality assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade and other receivables is based on a historic payment ratio per customer.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

The fair value of long-term receivables is estimated by discounting the future contracted cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable (service) amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Value in use of cash generating assets:

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets inherently uncertain and could materially change over time. They are significantly effected by a number of factors including economic factors such as inflation and interest.

Value in use of non-cash generating assets:

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Landfill sites

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value of the expected future cash flows to rehabilitate the landfill sites at year-end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial asset are charged to the Statement of Financial Performance.

Post retirement benefits

The present value of the post retirement medical obligation and long service awards depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate, expected rate of return on assets, future salary increase, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Any changes in these assumptions will impact on the carrying amount of employee benefits.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for employee benefits are based on current market conditions. Additional information is disclosed in Note 19 - Employee Benefits.

Effective interest rate

The municipality uses the prime rate to discount future cash flows.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Allowance for impairment

For receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Intangible assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Property, plant and equipment

The useful lives of property, plant and equipment are based on management's estimation. The estimates are based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the municipality. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives and in what condition they will be at that time.

Revenue Recognition - Fines

The Accounting Policy on Revenue from Non-Exchange Transactions and Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions along with IGRAP 1: Applying the probability test on initial recognition of Revenue. The basic principles used and the assumptions made relating to traffic fines is disclosed in the accounting policy for Revenue for Non-Exchange Transactions.

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or
- administrative purposes; or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

The cost of self-constructed investment property is the cost at the date of completion.

Transfers are made to or from investment property only when there is a change in use. From a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Where investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.3 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the municipality determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the municipality measures that investment property using the cost model (as per the accounting policy on property, plant and equipment). The residual value of the investment property is then assumed to be zero. The municipality applies the cost model (as per the accounting policy on property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on property, plant and equipment.

The municipality used a valuation expert namely De Kock Lloyd to determine the fair value at the reporting date. Mr Lloyd has a National Diploma in Property Valuations and is a Professional Valuer registered at SACVP.

Investment property is derecognised when there is a disposal or no future economic benefits or service potential are to be derived from the property. All gains and losses, which result from the derecognition are recognised in the Statement of Financial Performance.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost at the acquisition date.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost), unless the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.4 Property, plant and equipment (continued)

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated on a straight line basis over their expected useful lives to their estimated residual value. Depreciation is calculated on the depreciable amount.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	indefinite
Buildings	
• Buildings	10 - 100 years
• Recreational facilities	15 - 100 years
Infrastructure	
• Roads and paving	50 - 80 years
• Pedestrian Malls	20 years
• Electricity	5 - 25 years
• Water	15 - 100 years
• Sewerage	15 - 75 years
• Housing	20 - 100 years
• Landfill sites	1 - 55 years
• Cemeteries	25 - 60 years
• Security	3 - 25 years
Other property, plant and equipment	
• Furniture and fixtures	2 - 20 years
• Specialised property, plant and equipment	5 - 20 years
• Other equipment	5 - 20 years
• Other vehicles	5 - 30 years
• Specialist vehicles	5 - 30 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate; unless expectations differ from the previous estimate.

The depreciation charge for each period is recognised in surplus or deficit; unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Such a difference is recognised in surplus or deficit when the item is derecognised.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.6 Intangible assets (continued)

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis to their estimated residual values as follows:

Item	Useful life
Computer software	3 - 5 years
Right to access of water	99 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the intangible asset. Such a difference is recognised in surplus or deficit when the intangible asset is derecognised.

1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Recognition

The municipality recognises a heritage asset as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 13 Heritage assets.

Initial measurement

Heritage assets are initially recognised cost.

Where a heritage asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Subsequent measurement

Heritage assets are not depreciated based on their nature, however the municipality assesses at each reporting period date whether there is a need for impairment.

Subsequent to initial measurement heritage assets are carried at cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that a heritage asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.7 Heritage assets (continued)

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

Heritage assets are derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such a difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange transactions and non-exchange transactions).

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Long term receivables	Financial asset measured at amortised cost
Short term investments	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Other receivables	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Long term liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its Statement of Financial Position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Upon initial recognition the municipality classifies financial instruments or their component parts as a financial liability, financial asset or residual interest in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.8 Financial instruments (continued)

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability, other than those subsequently measures at fair value, initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures all other financial assets and financial liabilities initially at fair value.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.8 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility in the case of a financial asset.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectability of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written-off, the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written-off are credited against operating expenses.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.8 Financial instruments (continued)

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Trade and other receivables

Receivables from exchange and non-exchange transactions

Receivables from exchange and non-exchange transactions are recognised initially at cost and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables from exchange and non-exchange transactions is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivables from exchange and non-exchange transactions is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in the Statement of Financial Performance. When a receivables from exchange and non-exchange transactions is uncollectable, it is written-off against the allowance account for receivables from exchange and non-exchange transactions. Subsequent recoveries of amounts previously written-off are credited against the Statement of Financial Performance.

Housing selling schemes, Housing personnel, Welfare, Recreational and Land sales

In respect of the above loans, a provision for impairment is made on the same basis as the current portion included in the consumer receivables, being the payment rate.

Other receivables

Other receivables consist, among others, of various receivables and/or suspense accounts with debit balances such as Housing board subsidies, Government subsidies, Interest receivable, VAT, Recoverable expenses, Prepaid expenses, Insurance claims and various other receivables/suspense accounts with debit balances. These aforementioned receivables/suspense accounts are assessed individually for impairment to ensure that no objective evidence exist that these receivables are irrecoverable. Should an individual receivable or group of receivables and or suspense account be regarded as irrecoverable, a provision for impairment is made.

Cash and cash equivalents and short term investments

Cash includes cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible into known amounts of cash that are held with registered banking institutions and are subject to an insignificant risk of changes in value. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

For the purpose of cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts and excluding fixed deposits.

Trade and other payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate, which is the initial carrying amount, less repayments, plus interest.

Financial liabilities and consumer deposits

The municipality measures all financial liabilities including trade and other payables, at amortised cost using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue cost. Finance charges, including premiums payable, are accounted for on an accrual basis.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.8 Financial instruments (continued)

Derecognition

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its Statement of Financial Position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and building elements, the municipality assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the Statement of Financial Position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual receipts are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Any contingent rents are recognised separately as revenue in the period in which they are received.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.9 Leases (continued)

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis over the lease term.

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

1.10 Inventories

Inventories comprise current assets held for sale, consumption or distributing during the ordinary course of business.

Inventories are initially measured at cost except where inventories are acquired at no cost, or for a nominal cost, then their costs are their fair value as at the date of acquisition. Housing top structures are carried at the lower of cost and current replacement value.

Subsequently inventories consisting of consumable stores and finished goods, are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements.

Events after the reporting date that are classified as non-adjusting events have been disclosed in the notes to the financial statements.

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. In such cases, the municipality will expense those borrowing cost related to the qualifying asset directly to the Statement of Financial Performance. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

1.13 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.14 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.14 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality will not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.15 Statutory receivables

Statutory receivables are receivables that:

- arise from legislation, supporting regulations, or similar means; and
- require settlement by another entity in cash or another financial asset.

Statutory receivables constitute revenue receivable from property rates, fines, penalties, grants and fees charged in terms of legislation.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.15 Statutory receivables (continued)

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using GRAP 9;
- if the transaction is a non-exchange transaction, using GRAP 23;
- if the transaction is not within the scope of either GRAP 9 or GRAP 23, the receivable is recognised when:
 - the definition of an asset is met; and
 - it is probable that future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

The municipality measures a statutory receivable initially at its transaction amount.

The municipality measures all statutory receivables after initial recognition using the cost method.

Under the cost method the amount recognised initially is only changed subsequently to reflect any:

- interest or other charges that may have accrued on the receivable;
- impairment loss; and
- amounts derecognised.

The municipality assesses at the end of each reporting period whether there is objective evidence that a statutory receivable or group of statutory receivables is impaired.

For amounts due the significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default payments are all considered indicators of impairment.

If there is objective evidence that an impairment loss on statutory receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the estimated future cash flows - discounted if the effect of discounting is material - using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The reversal does not result in a carrying amount of the statutory receivable that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where statutory receivables are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such receivables are written-off, the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

The municipality derecognises a statutory receivable when:

- the rights to the cash flows from the statutory receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable;
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the receivable;
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are considered for inclusion within the scope of GRAP 104 or another standard of GRAP. Any difference between the consideration received and amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.16 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.16 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

The municipality provides retirement contributions for its employees and councillors.

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

A defined benefit plan is a plan that is not a defined contribution plan. Typically defined benefit plans define an amount of benefit that an employee will receive after retirement, usually dependent on one or more factors such as age, years of service and compensation.

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.16 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The defined benefit plan of the municipality includes post retirement medical aid benefits.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises, because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses, which is recognised immediately;
- past service cost, which is recognised immediately;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.16 Employee benefits (continued)

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.16 Employee benefits (continued)

Other long-term employee benefits

The municipality has an obligation to provide long-term service allowance benefits to all of its employees. According to the rules of the long-term service allowance scheme, which the municipality instituted and operates, an employee (who is on the current conditions of service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term service awards are recognised in the Statement of Financial Performance.

The amount recognised as a liability for long-term service awards is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which is recognised immediately;
- past service cost, which is recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the municipality is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the municipality has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.

1.17 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.17 Provisions and contingencies (continued)

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating expenditure.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 42.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.17 Provisions and contingencies (continued)

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.13 and 1.14.
- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
 - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.18 Grants in aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return from services rendered/goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.19 Revenue from exchange transactions (continued)

Exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Service charges relating to electricity and water are based on consumption and basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced or accrued to the municipality. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid cards is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on consumption, using the tariffs approved from Council and are levied monthly.

Interest revenue is recognised on a time-proportion basis.

Revenue from rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariffs of charges is recognised when the relevant services is rendered by applying the relevant gazetted tariff. This includes the issuing of licenses and permits.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

1.20 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential are required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipality Finance Management Act (Act 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

When, as a result of a non-exchange transaction, a municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Revenue from property rates is recognised when the legal entitlement to this revenue arises.

Transfers

Apart from services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

Collection charges and penalties

Collection charges and penalty interest are recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with the relevant legal requirements (if applicable).

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Where the municipality collects fines in the capacity of an agent, the fines will not be revenue of the municipality.

The following basic principles have been followed in regards of the traffic fines:

- All fines that are due to the municipality legally so were recognised as at 30 June 2015.
- Removed all the fines that have been issued before the 1st of January 2014 where no warrant has been served. As they would be older than 18 months.
- Removed all summons that were sent to the server, but were for offences on or before 31 December 2013 because regulations state that summons must have been served no later than 18 months from the date of alleged offence.
- Remove summons not served as well as fines that would miss their cut off date as per the rules of the court as it can only accommodate one day per week for all traffic related issues.
- Ensure that all warrants were less than two years old.
- Used the average collection rates based on number of fines issued vs number of fines paid for the past 5 years to determine the fair value of the traffic fines.

Grants

Grants received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grants are met. Grants without any conditions attached are recognised as revenue when the assets is recognised.

Revenue from public contributions and donations

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, it is recognised as an unspent public contribution (liability)

1.21 Accumulated surplus

Accumulated surplus/deficit represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus/deficit when retrospective adjustments are made.

1.22 Unspent conditional government grants and receipts

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

1.23 Service concession arrangements: Grantor

A service concession arrangement is a contractual arrangement between a grantor (the municipality) and an operator in which:

- the operator uses the service concession asset to provide a mandated function on behalf of the municipality for a specified period of time; and

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.23 Service concession arrangements: Grantor (continued)

- the operator is compensated for its services over the period of the service concession arrangement.

A service concession asset is an asset used to provide a mandated function in a service concession arrangement that:

- is provided by the operator which:
 - the operator constructs, develops, or acquires from a third party; or
 - is an existing asset of the operator.
- is provided by the grantor (municipality) which:
 - is an existing asset of the municipality; or
 - is an upgrade to an existing asset of the municipality.

An asset is provided by the operator, or an upgrade to an existing asset of the municipality is recognised as a service concession asset if:

- the municipality controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price;
- the municipality controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the asset at the end of the arrangement.

The municipality measures initially a service concession asset at its fair value.

The municipality recognises a liability where a service concession asset is recognised.

The liability is initially recognised at the same amount as the service concession asset, adjusted by the amount for any consideration from the municipality to the operator, or from the operator to the municipality.

Where the municipality has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition or upgrade of a service concession asset, the liability is accounted for as a financial liability in accordance with GRAP 104.

The payments made to the operator are accounted for according to their substance as:

- a reduction in the liability recognised;
- a finance charge; and
- charges for services provided by the operator.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments are allocated by reference to the relative fair values of the service concession asset and the services. If not, the service component of payments is determined using valuation techniques.

Where the municipality does not have an unconditional obligation to pay cash or another financial asset to the operator, and grants the operator the right to earn revenue from third-party users or another revenue-generating asset, the liability is accounted for as the unearned portion of revenue arising from the exchange of assets between the municipality and the grantor.

The liability is reduced and revenue recognised according to the substance of the service concession arrangement.

1.24 Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparative are restated accordingly.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 50 for detail.

1.25 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No. 56 of 2003), and includes:

- overspending of the total amount appropriated in the municipality's approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.25 Unauthorised expenditure (continued)

- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with the Municipal Finance Management Act.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), and the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the Statement of Financial Position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and where disclosure is required by a specific standard of GRAP.

1.29 Budget information

The approved budget is prepared on the accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 1 July 2014 to 30 June 2015.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The budget of the municipality is taken for stakeholder consultative process and upon approval, the approved budget is made publicly available.

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the Annual Financial Statements.

The most recent approved budget by Council is the final budget for the purpose of comparison with the actual amounts. A variance of more than 5% between the budgeted and actual is considered material.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.30 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Only transactions within related parties not at arm's length or not in the ordinary course of business are disclosed.

1.31 Value Added Tax

The municipality is registered with the South African Revenue Services (SARS) for VAT on the cash basis, in accordance with Section 15(2) of the VAT Act (Act 89 of 1991).

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 5 (revised 2013): Borrowing costs

The benchmark treatment will be to recognise borrowing cost as an expense.

Allowed alternative is to capitalise borrowing costs if it is attributable to the acquisition, construction or production of a qualifying asset. All other instances, expense borrowing costs.

All amendments to be applied prospectively.

The effective date of the amendment is for years beginning on or after 01 April 2014.

The municipality has adopted the amendment for the first time in the 2015 annual financial statements.

The impact of the amendment is not material.

GRAP 100 (revised 2013): Discontinued Operations

All accounting, presentation and disclosure requirements with regards to non-current assets held for sale (or disposal groups) have been deleted. The impact of the amendments is:

- Will no longer be required to reclassify assets as held for sale. GRAP 100 now only deals with discontinued operations.
- Certain disclosure must be made if, at the reporting date, management has taken a decision to dispose of a significant asset or a group of assets and liabilities. Will fall under the Standard of GRAP on Presentation of Financial Statements.

Measurement requirements are to be applied prospectively and presentation and disclosure requirements are to be applied retrospectively

The effective date of the amendment is for years beginning on or after 01 April 2014.

The municipality has adopted the amendment for the first time in the 2015 annual financial statements.

The impact of the amendment is not material.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2015 or later periods:

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

The standard has been approved by the Accounting Standards Board, but its effective date has not yet been determined by the Minister of Finance.

The municipality expects to adopt the standard for the first time once it becomes effective.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 105: Transfers of Functions Between Entities Under Common Control

The objective of this standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.

A transfer of functions between entities under common control is a reorganisation and / or reallocation of functions between entities that are ultimately controlled by the same entity before and after a transfer of functions.

In the event of a transfer of functions between entities under common control, the assets and liabilities should be recognised (by the acquirer) at their carrying amounts and should be derecognised (by the transferor) at their carrying amounts.

The difference between the amount of consideration paid or received, if any, and the carrying amounts of assets and liabilities should be recognised in accumulated surplus / (deficit).

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality expects to adopt the standard for the first time in the 2016 annual financial statements, but has already formulated an accounting policy for this reporting period based on the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 106: Transfers of Functions Between Entities not Under Common Control

The objective of this standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control.

A transfer of functions between entities not under common control is a reorganisation and / or reallocation of functions between entities that are not ultimately controlled by the same entity before and after a transfer of functions.

In the event of a transfer of functions between entities not under common control, the assets and liabilities should be recognised (by the acquirer) at their acquisition date fair values.

The difference between the amount of consideration paid, if any, and the carrying amounts of assets acquired and liabilities assumed should be recognised in accumulated surplus / (deficit).

For a transfer of functions between entities not under common control there are some specific recognition and measurement principles and exceptions to the recognition and measurement principles.

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality expects to adopt the standard for the first time in the 2016 annual financial statements, but has already formulated an accounting policy for this reporting period based on the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 107: Mergers

The objective of this standard is to establish accounting principles for the combined entity and combining entities in a merger.

A merger is where a new combined entity is started, acquirer can be identified and the combining entities do not have any control over the combined entity.

In the event of a merger, the assets and liabilities should be recognised (by the combined entity) at their carrying amounts and should be derecognised (by the combining entities) at their carrying amounts.

The difference between the carrying amounts of assets and liabilities should be recognised in accumulated surplus / (deficit).

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality expects to adopt the standard for the first time in the 2016 annual financial statements, but has already formulated an accounting policy for this reporting period based on the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 20: Related Parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been effected by the existence of related parties and by transactions and outstanding balances with such parties.

The municipality (in this standard referred to as the reporting entity) applies this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between the municipality and its related parties;
- identifying the circumstances in which disclosure of the items in bullet one and two is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the reporting entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- close member of the family of a person;
- management;
- related parties;
- remuneration; and
- significant influence.

The standard sets out the requirements, inter alia, for the disclosure of:

- control;
- related party transactions; and
- remuneration of management.

Only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are not no more or no less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

The standard requires that remuneration of management must be disclosed per person and in aggregate.

The standard has been approved by the Accounting Standards Board, but its effective date has not yet been determined by the Minister of Finance.

The municipality expects to adopt the standard for the first time once it becomes effective.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

IGRAP 11: Consolidation – Special purpose entities

An entity may be created to accomplish a narrow and well-defined objective (e.g. to effect a lease, research and development activities or a securitisation of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. SPEs often are created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their management over the operations of the SPE. Frequently, these provisions specify that the policy guiding the ongoing activities of the SPE cannot be modified, other than perhaps by its creator or sponsor (ie they operate on so-called 'autopilot'). The sponsor (or entity on whose behalf the SPE was created) frequently transfers assets to the SPE, obtains the right to use assets held by the SPE or performs services for the SPE, while other parties ('capital providers') may provide the funding to the SPE. An entity that engages in transactions with an SPE (frequently the creator or sponsor) may in substance control the SPE. A beneficial interest in an SPE may, for example, take the form of a debt instrument, an equity instrument, a participation right, a residual interest or a lease. Some beneficial interests may simply provide the holder with a fixed or stated rate of return, while others give the holder rights or access to other future economic benefits or service potential of the SPE's activities. In most cases, the creator or sponsor (or the entity on whose behalf the SPE was created) retains a significant beneficial interest in the SPE's activities, even though it may own little or none of the SPE's net assets.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The Standard of GRAP on Consolidated and Separate Financial Statements requires the consolidation of entities that are controlled by the reporting entity. However, the Standard of GRAP does not provide explicit guidance on the consolidation of SPEs. The issue is under what circumstances an entity should consolidate an SPE. This interpretation of the Standards of GRAP does not apply to post-employment benefit plans or other long-term employee benefit plans to which the Standard of GRAP on Employee Benefits applies.

A transfer of assets from an entity to an SPE may qualify as a sale by that entity. Even if the transfer does qualify as a sale, the provisions of the Standard of GRAP on Consolidated and Separate Financial Statements and this Interpretation of the Standards of GRAP may mean that the entity should consolidate the SPE. This Interpretation of the Standards of GRAP does not address the circumstances in which sale treatment should apply for the entity or the elimination of the consequences of such a sale upon consolidation.

The effective date of this interpretation is dependent on/in conjunction with the effective date of GRAP105, 106 and 107.

The municipality expects to adopt the interpretation for the first time in the 2016 annual financial statements.

It is unlikely that the interpretation will have a material impact on the municipality's annual financial statements.

IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures

Paragraph .54 in the Standard of GRAP on Interests in Joint Ventures refers to both contributions and sales between a venturer and a joint venture as follows: 'When a venturer contributes or sells assets to a joint venture, recognition of any portion of a gain or loss from the transaction shall reflect the substance of the transaction'. In addition, paragraph 31 in the Standard of GRAP on Interests in Joint Ventures says that 'a jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest'. There is no explicit guidance on the recognition of gains and losses resulting from contributions of non-monetary assets to jointly controlled entities ('JCEs').

Contributions to a JCE are transfers of assets by venturers in exchange for an interest in the net asset in the JCE. Such contributions may take various forms. Contributions may be made simultaneously by the venturers either upon establishing the JCE or subsequently. The consideration received by the venturer(s) in exchange for assets contributed to the JCE may also include cash or other consideration that does not depend on future cash flows of the JCE ('additional consideration').

The issues are:

- when the appropriate portion of gains or losses resulting from a contribution of a non-monetary asset to a JCE in exchange for an interest in the net assets in the JCE should be recognised by the venturer in surplus or deficit;
- how additional consideration should be accounted for by the venturer; and
- how any unrealised gain or loss should be presented in the consolidated financial statements

This Interpretation of the Standards of GRAP deals with the venturer's accounting for non-monetary contributions to a JCE in exchange for an interest in the net assets in the JCE that is accounted for using either the equity method or proportionate consolidation.

The effective date of this interpretation is in conjunction with the effective date of GRAP105, 106 and 107.

The municipality expects to adopt the interpretation for the first time in the 2016 annual financial statements.

It is unlikely that the interpretation will have a material impact on the municipality's annual financial statements.

GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements

The definition of 'minority interest' has been amended to 'non-controlling interest', and paragraph .60 was added by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date.

Paragraph .59 was amended by Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date from the date at which it first applied the Standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers amended paragraphs .03, .39, .47 to .50 and added paragraphs .51 to .58 and .61 to .62. An entity shall apply these amendments when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

The effective date of this amendment is in conjunction with the effective date of GRAP 105, 106 and 107.

The municipality expects to adopt the amendment for the first time in the 2016 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 7 (as revised 2010): Investments in Associates

Paragraphs .03 and .42 were amended by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers amended paragraphs .22, .28 and .38 and added paragraph .24. An entity shall apply these amendments and addition when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

The effective date of this amendment is in conjunction with the effective date of GRAP 105, 106 and 107.

The municipality expects to adopt the amendment for the first time in the 2016 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 8 (as revised 2010): Interests in Joint Ventures

Paragraph .04 was amended by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers added paragraph .50 and amended paragraphs .51 and .52. An entity shall apply these amendments and addition when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

The effective date of this amendment is in conjunction with the effective date of GRAP 105, 106 and 107.

The municipality expects to adopt the amendment for the first time in the 2016 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 32: Service Concession Arrangements: Grantor

The standard applies to a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator providing the mandated function on behalf of the grantor can either be a private party or another public sector entity. The standard applies to the grantor only.

PPP agreements that are governed and regulated in terms of the MFMA, are some of the arrangements that fall within the scope of GRAP 32. For any other arrangements that meet the control criteria as set out in paragraph .07 of GRAP 32 the principles in the standard on accounting for such arrangements will apply.

An asset provided by the operator, or an upgrade to an existing asset, is recognised as a service concession asset with a corresponding liability, being the performance obligation, if certain criteria and conditions are met.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The standard has been approved by the Accounting Standards Board, but its effective date has not yet been determined by the Minister of Finance.

The municipality expects to adopt the standard for the first time once it becomes effective, but has already formulated an accounting policy for this reporting period based on the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 108: Statutory Receivables

GRAP 108 only deals with those receivables that arise from legislation or an equivalent means, such as regulations, bylaws or other documents issued in terms of legislation, such as ministerial orders and cabinet or municipal council decisions. Therefore in order to be statutory in nature specific legislation should require the municipality to undertake the transactions, such as outlining who should be taxed and at what rates and amounts.

Statutory receivables are not contractual receivables, the latter of which would normally meet the definition of a financial asset and will be within the scope of the Standard of GRAP on Financial Instruments. Statutory receivables are not voluntarily entered into as with contractual receivables because they arise as a result of specific legislative requirements.

Statutory receivables are initially measured at their transaction amount and subsequently using the cost method.

Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

The standard has been approved by the Accounting Standards Board, but its effective date has not yet been determined by the Minister of Finance.

The municipality expects to adopt the standard for the first time once it becomes effective, but has already formulated an accounting policy for this reporting period based on the standard.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This interpretation provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this interpretation need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

This interpretation concludes on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The interpretation has been approved by the Accounting Standards Board, but its effective date has not yet been determined by the Minister of Finance.

The municipality expects to adopt the interpretation for the first time once it becomes effective, but has already formulated an accounting policy for this reporting period based on the interpretation.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

It is unlikely that the interpretation will have a material impact on the municipality's annual financial statements.

Directive 11: Changes in Measurement Bases Following the Initial Adoption of Standards of GRAP

The objective of this directive is to permit the municipality to change its measurement bases following the initial adoption of Standards of GRAP. The change is based on the principles in the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors. This directive should therefore be read in conjunction with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

In applying paragraph 13(b) of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors, this directive allows the municipality, that has initially adopted the fair value model for investment property or the revaluation model for property, plant and equipment, intangible assets or heritage assets, to change its accounting policy on a once-off basis to the cost model when the municipality elects to change its accounting policy following the initial adoption of these Standards of GRAP. The once-off change will be allowed when the municipality made an inappropriate accounting policy choice on the initial adoption of the Standards of GRAP.

Subsequent to the application of this directive, the municipality will be allowed to change its accounting policy in future periods subject to it meeting the requirements in the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The effective date of the directive is for years beginning on or after 01 April 2015.

The municipality expects to adopt the directive for the first time in the 2016 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	30 325	29 675
Bank balances	106 900 454	82 144 099
	106 930 779	82 173 774
Refer to note 56 on the additional disclosures required by the Municipal Finance Management Act where the detail regarding the bank balances are disclosed.		
4. Receivables from exchange transactions		
Gross balances		
Electricity	42 893 510	41 825 567
Water	17 512 260	12 135 932
Sewerage	15 542 690	12 128 838
Refuse	9 182 577	7 162 076
Availability charges	4 594 253	3 762 063
Housing Selling schemes	527 998	233 587
Housing rental	4 794 028	3 657 363
Sundries	4 511 211	3 758 001
	99 558 527	84 663 427
Less: Allowance for impairment		
Electricity	(1 694 471)	(3 218 628)
Water	(5 783 808)	(3 625 578)
Sewerage	(8 671 730)	(6 623 107)
Refuse	(4 581 152)	(4 023 249)
Availability charges	(3 941 103)	(3 197 512)
Housing Selling schemes	(326 659)	(49 991)
Housing rental	(3 378 259)	(2 555 189)
Sundries	(1 751 017)	(1 773 543)
	(30 128 199)	(25 066 797)
Net balance		
Electricity	41 199 040	38 606 937
Water	11 728 452	8 510 354
Sewerage	6 870 960	5 505 731
Refuse	4 601 425	3 138 827
Availability charges	653 150	564 551
Housing Selling schemes	201 339	183 596
Housing rental	1 415 770	1 102 174
Sundries	2 760 194	1 984 458
	69 430 330	59 596 628
Electricity		
Current (0 -30 days)	40 045 414	37 608 990
31 - 60 days	817 855	653 581
61 - 90 days	138 437	257 921
91 - 120 days	117 475	170 664
121 - 365 days	1 774 330	3 134 411
Less: Provision for impairment	(1 694 471)	(3 218 628)
	41 199 040	38 606 939

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
4. Receivables from exchange transactions (continued)		
Water		
Current (0 -30 days)	9 624 105	7 288 661
31 - 60 days	909 614	531 181
61 - 90 days	679 476	404 009
91 - 120 days	794 385	324 148
121 - 365 days	5 504 680	3 587 932
Less: Provision for impairment	(5 783 808)	(3 625 577)
	11 728 452	8 510 354
Sewerage		
Current (0 -30 days)	4 100 991	3 675 240
31 - 60 days	869 719	673 104
61 - 90 days	718 092	505 366
91 - 120 days	638 832	408 994
121 - 365 days	9 215 056	6 866 134
Less: Provision for impairment	(8 671 730)	(6 623 107)
	6 870 960	5 505 731
Refuse		
Current (0 -30 days)	2 169 595	2 016 402
31 - 60 days	501 647	368 685
61 - 90 days	432 033	281 697
91 - 120 days	382 171	222 466
121 - 365 days	5 697 131	4 272 826
Less: Provision for impairment	(4 581 152)	(4 023 249)
	4 601 425	3 138 827
Availability charges		
Current (0 -30 days)	361 913	343 124
31 - 60 days	154 946	139 162
61 - 90 days	135 678	122 617
91 - 120 days	130 655	111 029
121 - 365 days	3 811 061	3 046 132
Less: Provision for impairment	(3 941 103)	(3 197 513)
	653 150	564 551
Housing Selling schemes		
Current (0 -30 days)	55 350	60 602
31 - 60 days	31 389	27 645
61 - 90 days	29 653	23 808
91 - 120 days	28 938	22 261
121 - 365 days	382 668	99 271
Less: Provision for impairment	(326 659)	(49 991)
	201 339	183 596

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
4. Receivables from exchange transactions (continued)		
Housing rental		
Current (0 -30 days)	338 589	389 698
31 - 60 days	182 525	215 430
61 - 90 days	167 640	182 049
91 - 120 days	180 753	166 163
121 - 365 days	3 924 522	2 704 023
Less: Provision for impairment	(3 378 259)	(2 555 189)
	1 415 770	1 102 174
Sundries		
Current (0 -30 days)	2 205 035	2 034 588
31 - 60 days	93 753	30 924
61 - 90 days	71 267	129 443
91 - 120 days	310 429	57 195
121 - 365 days	1 830 727	1 505 851
Less: Provision for impairment	(1 751 017)	(1 773 543)
	2 760 194	1 984 458
Summary of receivables by customer classification		
Consumers		
Current (0 -30 days)	27 742 916	19 859 082
31 - 60 days	2 635 599	2 764 195
61 - 90 days	2 025 188	2 092 722
91 - 120 days	2 105 086	1 713 036
121 - 365 days	25 148 986	24 892 135
	59 657 775	51 321 170
Industrial/ commercial		
Current (0 -30 days)	27 723 220	18 890 052
31 - 60 days	354 073	381 482
61 - 90 days	252 495	356 043
91 - 120 days	389 650	219 238
121 - 365 days	6 503 680	11 306 219
	35 223 118	31 153 034
National and provincial government		
Current (0 -30 days)	3 671 016	1 115 598
31 - 60 days	545 320	460 596
61 - 90 days	59 133	168 107
91 - 120 days	44 992	77 274
121 - 365 days	357 174	367 648
	4 677 635	2 189 223

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
4. Receivables from exchange transactions (continued)		
Total		
Current (0 -30 days)	59 137 152	39 864 732
31 - 60 days	3 534 992	3 606 273
61 - 90 days	2 336 816	2 616 872
91 - 120 days	2 539 728	2 009 548
121 - 365 days	32 009 840	36 566 002
	<u>99 558 528</u>	<u>84 663 427</u>
Less: Allowance for impairment	<u>(30 128 198)</u>	<u>(25 066 797)</u>
	<u>69 430 330</u>	<u>59 596 630</u>
Less: Allowance for impairment		
Current (0 -30 days)	-	-
31 - 60 days	(2 632 706)	(2 005 307)
61 - 90 days	(1 740 007)	(1 451 667)
91 - 120 days	(1 890 310)	(1 114 811)
121 - 365 days	(23 865 175)	(20 495 012)
	<u>(30 128 198)</u>	<u>(25 066 797)</u>
Total receivables past due but not impaired		
31 - 60 days	902 286	1 644 738
61 - 90 days	596 809	1 191 192
91 - 120 days	649 418	914 771
121 - 365 days	8 144 667	16 790 710
	<u>10 293 180</u>	<u>20 541 411</u>
Receivables from exchange transactions impaired:		
As of 30 June 2015, receivables from exchange transactions of R 30 128 198 (2014: R 25 066 797) were impaired and provided for.		
Reconciliation of allowance for impairment		
Balance at beginning of the year	(25 066 797)	(28 652 479)
Contributions to allowance	(16 428 741)	(23 485 756)
Debt impairment written-off against allowance	11 367 340	27 071 438
	<u>(30 128 198)</u>	<u>(25 066 797)</u>

Receivables from exchange transactions past due but not impaired

The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due. The impairment of receivables from exchange transactions is calculated based on the historic payment rate per individual receivable.

As of 30 June 2015 receivables from exchange transactions of R 10 293 180 (2014: R 20 541 411) were past due not impaired.

Credit quality of receivables from exchange transactions

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
5. Receivables from non-exchange transactions		
Gross balances		
Rates	15 881 926	14 809 037
Traffic fines	48 648 095	38 329 440
Traffic revenue receivable	59 671	59 671
Receivables fraud	377 620	377 620
Government subsidies	743 308	2 523 188
Housing board subsidies	422 643	422 643
	66 133 263	56 521 599
Less: Allowance for impairment		
Rates	(6 896 714)	(7 037 907)
Traffic fines	(37 746 934)	(29 260 764)
	(44 643 648)	(36 298 671)
Net balance		
Rates	8 985 212	7 771 130
Traffic fines	10 901 161	9 068 676
Traffic revenue receivable	59 671	59 671
Receivables fraud	377 620	377 620
Government subsidies	743 308	2 523 188
Housing board subsidies	422 643	422 643
	21 489 615	20 222 928
Rates		
Current (0 -30 days)	5 925 450	5 504 802
31 - 60 days	646 960	552 385
61 - 90 days	390 458	327 954
91 - 120 days	341 122	252 823
121 - 365 days	8 577 936	8 171 073
Less: Provision for impairment	(6 896 714)	(7 037 907)
	8 985 212	7 771 130

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
5. Receivables from non-exchange transactions (continued)		
Summary of receivables by customer classification: Rates		
Consumers		
Current (0 -30 days)	5 169 322	4 567 118
31 - 60 days	564 403	458 292
61 - 90 days	340 632	272 090
91 - 120 days	297 593	209 757
121 - 365 days	7 483 331	6 779 219
	13 855 281	12 286 476
Industrial/ commercial		
Current (0 -30 days)	606 585	501 474
31 - 60 days	66 229	50 321
61 - 90 days	39 971	29 876
91 - 120 days	34 921	23 032
121 - 365 days	878 118	744 365
	1 625 824	1 349 068
National and provincial government		
Current (0 -30 days)	149 545	436 210
31 - 60 days	16 328	43 772
61 - 90 days	9 854	25 988
91 - 120 days	8 609	20 034
121 - 365 days	216 487	647 490
	400 823	1 173 494
Total		
Current (0 -30 days)	5 925 452	5 504 802
31 - 60 days	646 960	552 385
61 - 90 days	390 457	327 954
91 - 120 days	341 122	252 823
121 - 365 days	8 577 935	8 171 073
	15 881 926	14 809 037
Less: Allowance for impairment	(6 896 714)	(7 037 907)
	8 985 212	7 771 130
Less: Allowance for impairment: Rates		
Current (0 -30 days)	-	-
31 - 60 days	(448 141)	(417 835)
61 - 90 days	(270 464)	(248 071)
91 - 120 days	(236 290)	(191 240)
121 - 365 days	(5 941 819)	(6 180 761)
	(6 896 714)	(7 037 907)
Total receivables past due but not impaired: Rates		
31 - 60 days	198 819	134 550
61 - 90 days	119 993	79 883
91 - 120 days	104 832	61 583
121 - 365 days	2 636 116	1 990 313
	3 059 760	2 266 329

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
5. Receivables from non-exchange transactions (continued)		
Reconciliation of Traffic fines		
Opening balance	9 068 676	6 808 877
Receivables traffic fines	10 318 655	31 520 563
Provision for impairment	(8 486 170)	(29 260 764)
	10 901 161	9 068 676

Receivables from non-exchange transactions impaired

As of 30 June 2015, receivables from non-exchange transactions of R 44 643 648 (2014: R 36 298 671) were impaired and provided for.

Reconciliation of allowance for impairment: Rates

Balance at beginning of the year	(7 037 907)	(7 253 557)
Contributions to allowance	(1 409 351)	(2 382 626)
Debt impairment written-off against allowance	1 550 544	2 598 276
	(6 896 714)	(7 037 907)

Reconciliation of allowance for impairment: Traffic fines

Balance at beginning of the year	(29 260 764)	-
Contributions to allowance	(11 638 015)	(29 260 764)
Debt impairment written-off against allowance	3 151 845	-
	(37 746 934)	(29 260 764)

Credit quality of receivables from non-exchange transactions

The credit quality of receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

6. Other receivables from exchange transactions

Loans granted	5 513	378 228
Interest receivable	448 670	610 801
Prepaid Expenses	3 617 308	3 337 666
Recoverable expenses	86 426	34 426
PAYE: Personnel	931 731	931 731
Other receivables	1 618 117	1 822 480
Less: Allowance for impairment	(4 670)	(589 261)
	6 703 095	6 526 071

Other receivables from exchange transactions impaired

As of 30 June 2015, other receivables transactions of R 4 670 (2014: R 589 261) were impaired and provided for.

Reconciliation of allowance for impairment

Opening balance	(589 261)	(354 128)
Increase in provision excluding fine for the year	-	(235 133)
Debt impairment written-off against allowance	584 591	-
	(4 670)	(589 261)

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
7. Inventories		
Consumable stores	10 069 499	8 149 899
Water (at fair value)	723 822	606 543
Housing development projects	1 066 679	20 352 599
	<u>11 860 000</u>	<u>29 109 041</u>
Inventories recognised as an expense	13 267 711	15 669 271
Inventory pledged as security		
None of the above inventory has been pledged as security.		
8. VAT receivable		
South African Revenue Service	<u>1 654 931</u>	<u>1 818 127</u>
The municipality is registered on the cash basis.		
No penalties and fines were incurred during the year.		
9. Short term investments		
Loans and receivables		
Other fixed deposits	<u>30 000 000</u>	<u>85 000 000</u>
Non-current assets		
Investments	<u>-</u>	<u>-</u>
Current assets		
Short-term portion of Investments	<u>30 000 000</u>	<u>85 000 000</u>

Short term fixed deposits are made with various banks for a period from 1 - 12 months. The interest rates earned vary between 6.00% and 6.80%.

Refer to the note 51 on the financial instruments for the detail of the investments.

10. Investment property

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	8 589 700	-	8 589 700	8 029 450	-	8 029 450

Reconciliation of Investment property - 2015

	Opening balance	Disposals	Fair value adjustments	Total
Investment property	8 029 450	-	560 250	8 589 700
	<u>8 029 450</u>	<u>-</u>	<u>560 250</u>	<u>8 589 700</u>

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*		
10. Investment property (continued)				
Reconciliation of investment property - 2014				
	Opening balance	Disposals	Fair value adjustments	Total
Investment property	9 210 700	(1 353 400)	172 150	8 029 450

Pledged as security

None of the above investment property have been pledged as security.

Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The effective date of the revaluations was 30 June 2015. Revaluations were performed by an independent valuer, Mr Lloyd, of De Kock Lloyd Eiendoms Waardeerder. Mr Lloyd has a National Diploma in Property Valuations and is a Professional Valuer registered at SACVP. De Kock Lloyd Eiendoms Waardeerder is not connected to the municipality and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

Amounts recognised in surplus and deficit for the year:

The rental revenue earned from investment property for the financial year amount to R 181 254 (2014: R 179 236)

There were no operating expenses (including repairs and maintenance) incurred on the investment property for the financial year and prior financial year.

11. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	249 019 611	-	249 019 611	246 686 697	-	246 686 697
Buildings	260 924 872	(162 430 773)	98 494 099	259 281 701	(158 421 014)	100 860 687
Infrastructure	2 341 255 364	(848 709 370)	1 492 545 994	2 278 429 108	(788 118 260)	1 490 310 848
Other property, plant and equipment	113 728 099	(35 010 408)	78 717 691	74 695 788	(41 970 675)	32 725 113
Total	2 964 927 946	(1 046 150 551)	1 918 777 395	2 859 093 294	(988 509 949)	1 870 583 345

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Transfers	Changes in restoration asset	Depreciation	Impairment loss	Total
Land	246 686 697	3 004 619	(671 705)	-	-	-	-	249 019 611
Buildings	100 860 687	3 762 794	(696 291)	-	-	(5 433 091)	-	98 494 099
Infrastructure	1 490 310 849	61 873 932	-	1 602 221	-	(61 241 007)	-	1 492 545 995
Other property, plant and equipment	32 725 112	6 357 927	(65 778)	16 442	48 456 126	(8 772 138)	-	78 717 691
	1 870 583 345	74 999 272	(1 433 774)	1 618 663	48 456 126	(75 446 236)	-	1 918 777 396

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Transfers	Changes in restoration asset	Depreciation	Impairment loss	Total
Land	244 421 274	3 040 000	(774 577)	-	-	-	-	246 686 697
Buildings	98 883 000	8 012 620	(270 928)	(23 939)	-	(5 740 066)	-	100 860 687
Infrastructure	1 439 147 789	106 783 761	-	(264 108)	-	(55 336 990)	(19 603)	1 490 310 849
Other property, plant and equipment	36 774 288	9 415 802	(205 410)	(306 630)	(5 738 450)	(7 182 847)	(31 641)	32 725 112
	1 819 226 351	127 252 183	(1 250 915)	(594 677)	(5 738 450)	(68 259 903)	(51 244)	1 870 583 345

Pledged as security

None of the above property, plant and equipment have been pledged as security.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
11. Property, plant and equipment (continued)		
Work in progress		
The working in progress balances included in the property plant and equipment balance is as follows:		
Buildings	1 971 181	532 565
Infrastructure	75 813 601	146 732 596
Other property plant and equipment	183 949	41 000
	77 968 731	147 306 161

Change in Accounting Estimate

A review of useful lives was done on assets. During the review certain infrastructure and other property plant and equipment with Rnil book values and nil remaining lives were identified. The municipality's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. Management concluded that it should apply the change in estimate prospectively from the start of 2015 and therefore the depreciation charge was applied prospectively from 1 July 2014 over the remaining useful life of these assets. The effect of the change in accounting estimate is further disclosed in note 48.

Prior period error

A review of useful lives was done on assets. During the review of useful lives certain infrastructure and other property plant and equipment inappropriate useful lives were identified resulting in these assets being fully depreciated over a shorter useful life but still in use. This constitutes a prior period error and was corrected retrospectively in accordance with GRAP 3. The effect of the prior period error is further disclosed in note 50.

Other Information

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Refer to Appendix B for more detail on property, plant and equipment.

The total cost of fully depreciated assets still in use amounts to R 8 480 965. These are items that do not have an active market and cannot be sold when it is no longer in use.

12. Intangible assets

	2015			2014		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 257 328	(687 691)	1 569 637	1 895 973	(693 291)	1 202 682
Rights of use of water	4 275 264	(299 384)	3 975 880	4 275 264	(256 632)	4 018 632
Total	6 532 592	(987 075)	5 545 517	6 171 237	(949 923)	5 221 314

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
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12. Intangible assets (continued)

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Computer software, internally generated	1 202 682	787 044	(420 089)	1 569 637
Right of use of water	4 018 632	-	(42 752)	3 975 880
Total	5 221 314	787 044	(462 841)	5 545 517

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Amortisation	Total
Computer software	875 296	572 778	(245 392)	1 202 682
Rights of use of water	4 061 384	-	(42 752)	4 018 632
Total	4 936 680	572 778	(288 144)	5 221 314

Pledged as security

None of the above intangible assets have been pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

13. Heritage assets

	2015			2014		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Books - Africana and other	585 959	-	585 959	473 750	-	473 750
Work of Art	12 575 100	-	12 575 100	12 465 100	-	12 465 100
Land - Historic or specific	16 770 000	-	16 770 000	16 770 000	-	16 770 000
Culturally significant buildings	6 700 000	-	6 700 000	6 700 000	-	6 700 000
Total	36 631 059	-	36 631 059	36 408 850	-	36 408 850

Reconciliation of heritage assets 2015

	Opening balance	Additions	Fair value adjustment	Total
Books - Africana and other	473 750	-	112 209	585 959
Work of Art	12 465 100	110 000	-	12 575 100
Land - Historic or specific	16 770 000	-	-	16 770 000
Culturally significant buildings	6 700 000	-	-	6 700 000
Total	36 408 850	110 000	112 209	36 631 059

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*		
13. Heritage assets (continued)				
Reconciliation of heritage assets 2014				
	Opening balance	Disposals	Fair value adjustment	Total
Books - Africana and other	248 805	-	224 945	473 750
Work of Art	9 893 100	(610 000)	3 182 000	12 465 100
Land - Historic or specific	4 409 167	-	12 360 833	16 770 000
Culturally significant buildings	1 851 000	-	4 849 000	6 700 000
	16 402 072	(610 000)	20 616 778	36 408 850
Exemptions according to Directive 3 - Transitional Provisions for High Capacity Municipalities				
GRAP 103 - Assets				
The municipality opted to take advantage of the transitional provision as contained in Directive 3 of the Accounting Standards Board, issued in May 2010. The municipality identified and measured all its heritage assets and in terms of GRAP 103 the process was completed for inclusion in the 2015 financial statements.				
Other Information				
A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.				
14. Long term receivables				
Housing selling schemes				
Housing selling schemes		451 677		735 995
Less: Provision for impairment		(131 402)		(159 943)
		320 275		576 052
Welfare loans				
Welfare loans		1 924 978		2 086 195
Less: Provision for impairment		(1 166 901)		(2 066 982)
		758 077		19 213
Housing personnel				
Housing personnel		518 157		840 760
Arrangements				
Arrangements		13 012 869		16 546 478
Less: Provision for impairment		(5 562 087)		(5 341 060)
		7 450 782		11 205 418
Less: Current Portion transferred to current receivables				
Housing selling scheme		(23 014)		(269 779)
Welfare loans		(165 711)		(162 431)
Housing personnel loans		(40 531)		(46 262)
Arrangements		(3 230 781)		(4 331 060)
		(3 460 037)		(4 809 532)

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
14. Long term receivables (continued)		
Less : Current Portion of allowance for impairment transferred to current receivables		
Housing selling scheme	(6 695)	(58 627)
Welfare loans	(100 452)	(160 935)
Arrangements	(1 962 388)	(2 125 350)
	<u>(2 069 535)</u>	<u>(2 344 912)</u>
Long term receivables - Net		
Long term receivables - non-current portion	7 656 789	10 176 824
Long term receivables - current portion	1 390 502	2 464 620
	<u>9 047 291</u>	<u>12 641 444</u>

Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest of prime plus 1 % per annum and are repayable over a maximum period of 30 years.

Welfare Loans

Welfare loans are granted to qualifying organisations in terms of the provincial administrator's housing programme. These loans attract interest at prime plus 1% per annum and are repayable over a maximum period of 30 years.

Housing Loans - Personnel

Housing loans were granted to personnel and attract interest at between 7.5% and 15% per annum and are repayable over periods not exceeding 30 years.

Land Sales

Loans were granted to individuals for purchasing land from the Municipality. These loans attract interest at prime plus 1% and are repayable over periods not exceeding 2 years.

Arrangements

The arrangements consist of consumer receivables with whom the council has negotiated repayment terms. These arrangements attract no interest and the repayment periods vary between 15 and 30 years.

As at 30 June 2015, long term receivables of R 7 656 789 (2014: R 10 176 824) were past due not impaired. The ageing of these long term receivables are more than 365 days as long term receivables are classified as non-current assets in the financial statements.

As of 30 June 2015, long term receivables of R 4 790 855 (2014: R 5 223 073) were impaired. The individually impaired receivables mainly relate to those receivables who have agreements with the municipality to pay their debt over a long period. The ageing of these individually impaired receivables is more than 365 days based on the nature of long term receivables.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
15. Payables from exchange transactions		
Creditor balances closed	383 869	377 620
Lease liability	795 350	846 822
Ex Retentions	316 922	-
Other payables	1 238 731	1 098 115
Payments received in advance	4 288 126	3 693 930
Retentions	6 271 066	11 032 549
Sundry deposits	536 980	478 842
Trade payables	61 204 384	74 259 016
	75 035 428	91 786 894
16. Consumer deposits		
Electricity	1 674 509	1 598 845
Water	2 006 251	1 709 363
	3 680 760	3 308 208
Guarantees		
Guarantees held in lieu of Electricity and Water Deposits	26 800	26 800
17. Unspent conditional grants and receipts		
Unspent conditional grants and receipts		
National Government	-	20 304 955
Provincial Government	22 924 371	29 766 283
District Municipality	-	3 004
Other Municipalities	-	-
Public Contributions	1 425 814	335 740
	24 350 185	50 409 982
Movement during the year		
Balance at the beginning of the year	50 409 982	22 636 049
Total Government receipts	194 445 943	223 003 954
Other capital receipts	202 000	13 858 712
Conditions met - capital grants	(58 146 969)	(76 126 805)
Conditions met - operating grants	(103 975 384)	(79 728 320)
Conditions met - housing projects	(56 141 241)	(37 993 881)
Conditions met - other capital jobs	(202 000)	(13 858 712)
Unspent grant refunded to department	(462 267)	-
Included in other receivables	1 165 951	2 945 831
From other receivable	(2 945 830)	(4 326 846)
	24 350 185	50 409 982

The allocations and subsidies received from National and Provincial Government as well the District Municipality, has been deposited into the Council's own bank account. The allocations received have been utilised in accordance with the conditions set. Where all the conditions have not yet been met, the total allocations have not been utilised. The outstanding conditions will be met prior to/or when the balance of the allocations is utilised. The percentage of the allocations utilised is an indication of the conditions met. Where the total of the allocations has been utilised, all the conditions have been met. Also refer to Appendix D for further detail regarding unspent conditional grants.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
18. Long term liabilities		
At amortised cost		
Annuity Loans	228 173 036	254 641 231
	<hr/>	<hr/>
Refer to Appendix A for further information on long term liabilities.		
Non-current liabilities		
At amortised cost	203 546 176	228 173 036
	<hr/>	<hr/>
Current liabilities		
At amortised cost	24 626 860	26 468 195
	<hr/>	<hr/>

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

		2015	2014 Restated*	
19. Employee benefit obligations				
Reconciliation of employee benefits - 2015	Opening Balance	Additions	Benefits paid during the year	Total
Post-retirement medical aid benefits	143 201 000	(13 751 085)	(4 553 915)	124 896 000
Long service awards	15 830 000	450 935	(1 114 935)	15 166 000
Performance bonus	149 305	168 714	(152 291)	165 728
Staff leave accrual	14 959 339	1 485 455	(1 450 955)	14 993 839
13th cheque accrual	3 993 397	(95 562)	-	3 897 835
	<u>178 133 041</u>	<u>(11 741 543)</u>	<u>(7 272 096)</u>	<u>159 119 402</u>
Reconciliation of employee benefits - 2014	Opening Balance	Additions	Benefits paid during the year	Total
Post-retirement medical aid benefits	121 328 000	26 038 000	(4 165 000)	143 201 000
Long service awards	14 538 000	2 506 769	(1 214 769)	15 830 000
Performance bonus	435 293	(29 480)	(256 508)	149 305
Staff leave accrual	13 245 770	3 093 263	(1 379 693)	14 959 340
13th cheque accrual	4 519 915	(526 518)	-	3 993 397
	<u>154 066 978</u>	<u>31 082 034</u>	<u>(7 015 970)</u>	<u>178 133 042</u>
Non-current employee benefits				
Provision for Post-retirement medical aid benefits		119 898 540	138 682 360	
Long service awards		14 002 332	15 036 632	
		<u>133 900 872</u>	<u>153 718 992</u>	
Current employee benefits				
Provision for Post-retirement medical aid benefits		4 997 460	4 518 640	
Long service awards		1 163 668	793 368	
Performance bonus		165 728	149 305	
Staff leave accrual		14 993 839	14 959 340	
13th cheque accrual		3 897 835	3 993 397	
		<u>25 218 530</u>	<u>24 414 050</u>	
Post-Retirement medical aid benefit: Movements				
Opening balance		143 201 000	121 328 000	
Benefits paid		(4 553 915)	(4 165 000)	
Net expense recognised		(13 751 085)	26 038 000	
		<u>124 896 000</u>	<u>143 201 000</u>	
Post-Retirement medical aid benefit: Net expense recognised				
Current service cost		5 955 000	5 109 000	
Interest cost		13 679 000	10 966 000	
Actuarial (gains)/losses		(33 385 085)	9 963 000	
		<u>(13 751 085)</u>	<u>26 038 000</u>	
Long service awards: Movements				
Opening balance		15 830 000	14 538 000	
Benefits paid		(1 114 935)	(1 214 769)	
Net expense recognised		450 935	2 506 769	
		<u>15 166 000</u>	<u>15 830 000</u>	

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
19. Employee benefit obligations (continued)		
Long service awards: Net expense recognised		
Current service cost	1 235 000	1 155 000
Interest cost	1 312 000	1 134 000
Actuarial (gains)/losses	(2 096 065)	217 769
	450 935	2 506 769

Defined benefit plan

Post retirement medical aid plan

Current and continuation members receive a 60% and 70% subsidy respectively of medical and contributions in retirement. The spouse and child dependants of an employee are entitled to a 60% and 70% subsidy respectively of their contributions in the event of the principal members' death in-service. In the event of the death of the principal member, the spouse becomes the principal member.

In 2015: 59% (2014: 55%) of the employees belonged to the above plan. The plan is defined as a post-retirement medical benefit plan.

Long service awards

All permanent employees are entitled to a specified number of day's additional leave based on their service. The employee may convert the additional leave into a cash amount.

In 2015: 10% (2014: 8%) of the employees qualified for long service awards.

Key assumptions used

The municipality made use of an independent firm to perform the valuation of post-retirement medical aid benefits and long service awards. Niel Fourie (B.Comm) (FASSA), Julian van der Spuy (B.Comm Actuarial Science) and Hildegard Wilson (B.Sc Hons) (FASSA), from ZAQ Consultants and Actuaries were the experts for the valuation. The key assumptions used by the experts are listed below for the last valuation on 30 June 2015:

Post-Retirement medical aid benefit: Discount rates	9,56 %	9,50 %
Post-Retirement medical aid benefit: Healthcare cost inflation	8,58 %	9,00 %
Long service awards: Discount rates	8,94 %	8,40 %
Long service awards: Salary inflation	8,60 %	9,00 %

The nominal and real zero curves as at 30 June 2015 supplied by the JSE are the basis used to determine the discount rate and CPI assumptions at each relevant time period.

Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the service cost	5 472 000	3 423 000
Effect on the interest cost	13 983 000	10 263 000
Effect on defined benefit obligation	145 880 000	107 987 000

Assumed salary inflation trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed salary inflation trends rates would have the following effects:

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
19. Employee benefit obligations (continued)		
	One percentage point increase	One percentage point decrease
Effect on the service cost	1 285 000	1 065 000
Effect on the interest cost	1 513 000	1 286 000
Effect on defined benefit obligation	16 414 000	14 052 000

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees to 606 (2014:593) employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

The last valuation of the SAMWU National Provident Fund was done on 30 June 2011.

The last valuation of the SALA Pension Fund was done on 1 July 2014.

The last valuation of the Cape Joint Retirement Fund was performed on 30 June 2014

The last valuation of the Cape Joint Pension Fund was performed on 30 June 2014

The valuers of the respective funds were satisfied that the plan is in a sound financial position.

Contributions by Council in respect of employees retirement funding. The contributions have been expensed which amounted to R21 025 709 (2014: R 20 333 736).

Contributions who elected so are members of the Municipal Councillors Pension Fund. Contributed by Council in respect of Councillors retirement funding. The contributions have been expensed which amounted to R 565 530 (2014: R 757 174).

Contributions to medical aid funds

Contributions to medical aid funds for employees	11 665 040	10 676 286
Contributions to medical aid funds for Councillors	95 481	101 381
Contributions to medical aid fund for pensioners	4 553 915	4 163 512
	<u>16 314 436</u>	<u>14 941 179</u>

Cape Joint Retirement and Pension Fund for Local Government

This multi-employer was established with effect from 1 May 1996 to provide insured death, disability and pension benefits to its members.

The contribution rate for members is 9% of basic salary, whilst the respective Local Authorities are contributing 18%.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

As at 30 June 2015 the funding level of the share account was 100% and the pension account was 106.2%. At the valuation date the municipality had 497 members (Fund: 37 099 members) and nil pensioners (Fund: 725 pensioners) belonging to the fund.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
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20. Provisions: Landfill Site

Reconciliation of provisions - 2015

	Opening Balance	Change in estimates	Closure Cost	Unwinding of the discount	Total
Provision for the rehabilitation of landfill site	25 880 078	48 456 126	-	2 096 286	76 432 490
Closure site	-	-	878 607	-	878 607
	25 880 078	48 456 126	878 607	2 096 286	77 311 097

Reconciliation of provisions - 2014

	Opening Balance	Change in estimates	Closure Cost	Unwinding of the discount	Total
Provision for the rehabilitation of landfill site	29 856 967	(5 738 450)	-	1 761 561	25 880 078
Non-current liabilities				76 432 490	25 880 078
Current liabilities				878 607	-
				77 311 097	25 880 078

The provision for landfill site for De Doorns was done for a 2.5 year period, the Worcester site for a period of 3.33 years. Touwsriver is a closure site and is expected to be closed in the following 2 year period. No expenses have been incurred to date and the only movement is the contribution for the year. An assessment was done by Jan Palm Consulting Engineers (Specialist Waste Management Consultants), an independent expert.

The unwinding of the provision for landfill site for the current year was R 2 096 286 (2014: R 1 761 561) was included in the rehabilitation figure in the statement of financial performance as well as the Touwsriver closure cost of R 878 607 (2014: R 0).

21. Service charges

Sale of electricity	303 624 662	288 349 038
Sale of water	63 512 326	53 779 811
Sewerage and sanitation charges	65 672 516	57 753 633
Refuse removal	34 405 941	31 126 415
Less revenue foregone	(38 143 107)	(31 506 449)
	429 072 338	399 502 448

22. Rental income

Facilities and equipment		
Infrastructure/Site rental	9 807 718	9 189 043
Rental of facilities and equipment	3 367 770	2 109 098
	13 175 488	11 298 141

BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
23. Other income		
Administration fees: Credit control	1 281 934	1 308 914
Building clause	44 112	41 615
Building plans fees	917 221	841 508
Bulk service levies	96 842	194 652
Burial fees	719 165	621 307
Cleaning block drains	87 897	37 709
Clearance certificate	137 310	142 744
Connection fees	618 116	657 747
Connection meters	22 081	50 570
Commission received	202 779	204 898
Entrance fees	343 341	392 246
Firefighting charges	872 411	527 604
Garden refuse special removals	219 924	237 394
Interest car loans and housing loans, sundry and township development	73 462	(101 926)
Land sales	7 321	25 222
Miscellaneous Income	2 272 648	988 987
Network upgrading	337 443	856 922
Photocopies and printing	116 595	122 081
Recovery of expenditure	637 024	4 634
Rental street bins	328 912	167 098
Royalties	1 328 104	1 700 281
Services	267 871	480 258
Sundry income	728 912	833 108
Swimming pool tickets	294 762	253 995
Tender documents	91 654	51 653
	12 047 841	10 641 221
24. Finance income		
Interest revenue		
Bank	6 198 815	5 907 307
Interest earned - external investments	4 392 843	3 520 588
Interest - outstanding receivables	2 986 554	2 736 578
	13 578 212	12 164 473

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
25. Property rates		
Rates received		
Residential	53 648 735	49 922 900
Commercial	19 822 018	18 424 666
State	4 037 526	3 776 510
Municipal	4 562 038	4 242 447
Small holdings and farms	14 873 446	13 640 860
Department levies	(4 750 693)	(4 520 706)
Other	3 191 867	3 010 296
Industrial	8 405 153	7 518 655
Less revenue foregone	(9 317 205)	(7 919 585)
	<u>94 472 885</u>	<u>88 096 043</u>
Property rates - penalties imposed	808 892	779 100
	<u>95 281 777</u>	<u>88 875 143</u>
Valuations		
Land	1 042 131 000	1 061 169 000
Improvements	14 756 937 000	14 662 367 000
	<u>15 799 068 000</u>	<u>15 723 536 000</u>

The valuations for land and improvements include De Doorns, Rawsonville, Touwsriver, Worcester and rural areas.

Valuations on land and buildings are performed every four years. The last general valuation came into effect on 1 July 2012. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on an annual basis with the final date for payment being 30 September 2015 (30 September 2014). Interest at prime plus 1% per annum and a collection fee of, is levied on rates outstanding two months after due date. Monthly levies are allowed on application. A differentiated rebate up to 100% is granted to owners under certain circumstances. The basic rate's for the above mentioned areas, were charged for land and improvements at 0.8520 c/R (2014:0.7526 c/R) and for industrial and commercial sites at 1.7040 c/R (2014: 1.5052 c/R).

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
26. Government grants and subsidies		
Operating grants		
Equitable share	74 231 000	67 964 000
Finance Management Grant	1 232 000	1 300 000
Systems Improvement Grant	977 262	692 598
Housing Projects	56 141 241	37 993 881
Other grants and donations	17 378 243	4 076 703
LGWSETA: Staff Development	518 087	862 726
Provincial Government	9 635 787	5 007 458
Cape Winelands District Municipality	3 004	17 432
	<u>160 116 624</u>	<u>117 914 798</u>
Capital grants		
Capital Grants	58 348 968	89 792 921
	<u>58 348 968</u>	<u>89 792 921</u>
	<u>218 465 592</u>	<u>207 707 719</u>
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Balance unspent at beginning of year	-	-
Current-year receipts	74 231 000	67 964 000
Conditions met - transferred to revenue	(74 231 000)	(67 964 000)
	<u>-</u>	<u>-</u>
Financial Management Grant		
Balance unspent at beginning of year	-	-
Current-year receipts	1 232 000	1 300 000
Conditions met - transferred to revenue	(1 232 000)	(1 300 000)
	<u>-</u>	<u>-</u>
Systems Improvement Grant		
Balance unspent at beginning of year	43 262	-
Current-year receipts	934 000	735 860
Conditions met - transferred to revenue	(977 262)	(692 598)
	<u>-</u>	<u>43 262</u>
Conditions still to be met - remain liabilities (see note 17).		
Housing Projects		
Balance unspent at beginning of year	27 887 130	13 224 187
Current-year receipts	48 623 789	56 157 175
Conditions met - transferred to revenue	(56 141 241)	(37 993 881)
Other	(108 099)	(3 500 351)
	<u>20 261 579</u>	<u>27 887 130</u>
Conditions still to be met - remain liabilities (see note 17).		

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
26. Government grants and subsidies (continued)		
Other Grants and Donations		
Balance unspent at beginning of year	14 498 536	-
Current-year receipts	2 886 401	32 590 416
Conditions met - transferred to revenue	(17 378 243)	(17 935 416)
Other	(6 694)	(156 464)
	<u>-</u>	<u>14 498 536</u>
Conditions still to be met - remain liabilities (see note 17).		
LGWSETA: Staff Development		
Balance unspent at beginning of year	35 572	569 003
Current-year receipts	526 284	329 295
Conditions met - transferred to revenue	(518 087)	(862 726)
	<u>43 769</u>	<u>35 572</u>
Conditions still to be met - remain liabilities (see note 17).		
Provincial Government		
Balance unspent at beginning of year	1 206 923	2 614 275
Current-year receipts	10 103 057	3 418 449
Conditions met - transferred to revenue	(9 635 788)	(5 007 458)
Other	43 952	192 848
Change in virement - Capital Grant	-	(11 191)
	<u>1 718 144</u>	<u>1 206 923</u>
Conditions still to be met - remain liabilities (see note 17).		
Cape Winelands District Municipality		
Balance unspent at beginning of year	3 004	20 436
Current-year receipts	-	-
Conditions met - transferred to revenue	(3 004)	(17 432)
	<u>-</u>	<u>3 004</u>
Conditions still to be met - remain liabilities (see note 17).		
Capital Grants		
Balance unspent at beginning of year	6 735 555	6 362 289
Current-year receipts	56 111 412	74 213 331
Conditions met - transferred to revenue	(58 348 968)	(75 934 208)
Other	(2 131 681)	2 082 952
Change in virement - Provincial Grant	-	11 191
Unspent grant refunded to department	(462 267)	-
	<u>1 904 051</u>	<u>6 735 555</u>
Conditions still to be met - remain liabilities (see note 17).		
Refer to Appendix D for further detail regarding grants received.		

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
27. Fines, penalties and forfeits		
Fines, penalties and forfeits		
Traffic fines	27 666 811	44 885 835
Library material	64 970	96 386
Damaged meters	644 394	244 044
	28 376 175	45 226 265
28. Employee related costs		
Basic	127 664 596	121 420 103
Group life insurance	1 906 278	1 959 832
Bonus	9 338 492	9 253 150
Medical aid - company contributions	16 218 956	14 839 798
Unemployment Insurance Fund	1 228 175	1 212 702
Workmens Compensation Act	815 400	1 531 880
Skills Development Levy	1 814 774	1 716 932
Travel and car allowances	5 412 899	5 169 180
Overtime payments	13 211 217	12 357 738
Acting allowances	1 501 172	1 583 283
Housing benefits and allowances	892 954	862 880
Protective clothing	1 221 112	1 112 939
Allowances: Other	5 687 088	5 273 609
Retirement Fund	21 049 530	20 333 736
	207 962 643	198 627 762
Municipal Manager: G. Matthyse		
Annual Remuneration	1 445 224	1 287 314
Car Allowance	84 000	84 000
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	1 785	1 785
	1 531 009	1 373 099
Chief Financial Officer: D. McThomas		
Annual Remuneration	1 074 765	1 030 254
Car Allowance	95 000	95 000
Performance Bonuses	152 291	119 782
Contributions to UIF, Medical and Pension Funds	14 003	1 785
	1 336 059	1 246 821
Technical Services: E. Delport		
Annual Remuneration	804 732	730 879
Car Allowance	144 000	144 000
Contributions to UIF, Medical and Pension Funds	146 636	133 343
	1 095 368	1 008 222
Strategic Service Director: R. Esau		
Annual Remuneration	815 250	742 324
Car Allowance	119 363	119 363
Contributions to UIF, Medical and Pension Funds	160 758	146 538
	1 095 371	1 008 225

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
28. Employee related costs (continued)		
Community Services Director: J. Marthinus		
Annual Remuneration	784 110	705 069
Car Allowance	125 996	126 089
Contributions to UIF, Medical and Pension Funds	183 699	165 659
	1 093 805	996 817

Employee costs as percentage of total expenditure for 2015 is 26% (2014: 27%). The industry norm is between 30-35%. This figure excludes the remuneration of councillors, as disclosed in note 29 to the Financial Statements.

The remuneration of the employees is within the upper limits of the SALGA Bargaining Council determinations.

29. Remuneration of councillors

Executive mayor	726 467	581 545
Deputy Executive Mayor	584 881	533 716
Chief whip	551 651	504 724
Speaker	575 756	541 881
Mayoral committee members	4 353 967	4 010 553
Councillors	7 057 533	6 662 323
Councillors pension contribution	565 530	757 174
Councillors medical aid contribution	95 481	101 381
	14 511 266	13 693 297

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Mayor has the use of a Council owned vehicles for official duties.

Remuneration of Councillors:

The remuneration of the political office-bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015			2014 Restated*
29. Remuneration of councillors (continued)				
Executive Mayor	Salary	Allowances	Pension fund and Medical Aid	Total
A Steyn	587 082	139 384	44 031	770 497
Deputy Mayor				
JD Levendal	485 449	99 432	36 409	621 290
Speaker				
M Sampson	449 137	126 619	45 534	621 290
Mayco Member Whip				
R Farao	431 183	120 468	32 339	583 990
Mayco Members				
WM Blom	398 365	138 468	47 157	583 990
AM Du Toit	496 978	49 739	37 273	583 990
S Goedeman	398 365	138 468	47 157	583 990
AE Jordaan	414 439	138 468	31 083	583 990
SJ Mei	470 461	78 244	35 285	583 990
WR Meiring	488 596	58 749	36 645	583 990
EY Sheldon	466 523	65 198	52 269	583 990
JF van Zyl	414 439	138 468	31 083	583 990
	3 548 166	805 802	317 952	4 671 920
Councillors				
VK Apollis	208 193	24 468	15 615	248 276
R Blom	178 436	69 840	-	248 276
JA Boshoff	178 436	69 840	-	248 276
MN Bushwana	178 436	69 840	-	248 276
L Dyabooi	208 193	24 468	15 615	248 276
TC Dyonta	208 193	24 468	15 615	248 276
C Ismail	178 436	69 840	-	248 276
GF Jaftha	208 193	24 468	15 615	248 276
N Jali	165 987	69 840	12 449	248 276
SE James	165 987	69 840	12 449	248 276
PB Januarie	178 436	69 840	-	248 276
BV Klein	165 987	69 840	12 449	248 276
BJ Kriegler	178 436	69 840	-	248 276
S Lakey	165 987	69 840	12 449	248 276
MN Lubisi	178 436	69 840	-	248 276
ES Manel	178 436	69 840	-	248 276
P Marran	178 436	69 840	-	248 276
SB Mfutwana	161 156	69 840	17 280	248 276
BW Ntshingila	178 436	69 840	-	248 276
C Ntsomi	176 168	72 108	-	248 276
L Richards	220 711	69 840	-	290 551
J Schneider	178 436	69 840	-	248 276
PG Smith	178 436	69 840	-	248 276
G Stalmeester	165 987	69 840	12 449	248 276
NV Steto	178 436	69 840	-	248 276
P Tyira	178 436	69 840	-	248 276
TM Wehr	178 436	69 840	-	248 276
CF Wilskut	208 193	24 468	15 615	248 276

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

			2015	2014 Restated*
29. Remuneration of councillors (continued)				
	Salary	Allowances	Pension fund and Medical Aid	Total
E van der Westhuizen	184 628	36 499	27 149	248 276
	<u>5 290 103</u>	<u>1 767 427</u>	<u>184 749</u>	<u>7 242 279</u>
30. Doubtful debt				
Contributions to allowance for impairment			<u>26 649 986</u>	<u>50 814 912</u>
31. Depreciation, amortisation and impairment				
Property, plant and equipment			75 446 235	68 259 903
Amortisation			462 841	288 144
Impairment			-	51 244
			<u>75 909 076</u>	<u>68 599 291</u>
32. Bulk purchases				
Electricity			221 305 158	205 813 691
Water			2 512 962	1 427 275
			<u>223 818 120</u>	<u>207 240 966</u>
33. Finance costs				
External borrowings			<u>25 945 950</u>	<u>28 637 978</u>
34. Contracted services				
Security services			364 362	557 586
Private contractors			7 011 890	6 854 310
Other contracted services			941 077	255 183
			<u>8 317 329</u>	<u>7 667 079</u>
35. Grants and subsidies paid				
Other subsidies				
Grants in aid			<u>194 600</u>	<u>131 600</u>

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
36. Contributions to employee benefits		
Performance bonus	168 714	(29 480)
Post-retirement medical aid benefits	(18 305 000)	21 873 000
Long service awards	450 935	2 506 768
Provision for leave payment	1 485 454	3 093 263
Provision for 13th cheque	(95 562)	(526 518)
Add/less: actuarial gain/(loss)	35 481 150	(10 180 769)
	<u>19 185 691</u>	<u>16 736 264</u>

The actuarial gain/(loss) for the post-retirement medical aid benefit and long service awards of R 35 481 150 (2014: (R 10 180 769)) has been disclosed separately on the face of the statement of financial performance.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
37. General expenses		
Advertising	644 057	561 237
Access to basic services	2 440 067	-
Auditors remuneration	3 217 238	2 813 066
Bank charges	1 201 065	1 130 060
Bursaries	224 451	171 500
CDW Programme	381 399	1 498 239
Chemicals	2 275 167	1 899 302
Cleaning	189 080	155 911
Commission paid	2 931 074	789 732
Communication	163 689	51 154
Community development and training	18 869	14 501
Conferences and seminars	76 469	57 667
Connections	757	-
Consulting and professional fees	4 015 457	2 682 904
Consumables	246 618	201 932
Digging of graves	549 388	705 812
Driver license expense	584 603	570 270
Electricity	1 128 095	1 037 117
Entertainment	1 165 734	1 405 982
Flowers	10 950	6 222
Fuel and oil	6 069 316	6 526 898
Healthcare and hygiene services	256 328	364 043
Inspection Fee	135 000	-
Insurance	3 061 889	2 848 501
Interpreting Services	106 756	53 927
Lease rentals on operating lease	6 348 915	6 052 590
Levies	1 512 670	622 628
Loss of water and library materials	308 144	227 224
Materials and stores	814 657	951 186
Motor vehicle expenses	2 693 154	2 411 231
Other expenses	5 281 342	2 794 714
Performance Management System	-	443 747
Postage and courier	851 884	819 408
Printing and stationery	1 745 566	1 509 156
Project maintenance costs	147 290	370 750
Public participation	107 756	40 277
Refuse	584 986	578 114
Risk management system	147 000	-
Royalties and license fees	2 896 422	973 895
Service level agreement	350 000	190 000
Servicing of summonses	1 011 971	1 199 378
Staff welfare	265 997	160 741
Subscriptions and membership fees	2 452 189	2 295 370
Subsistence and travel	1 353 096	1 286 581
Survey fees	166 404	63 596
Telephone and fax	3 924 526	3 764 467
Top structure expenses	73 093 295	38 019 233
Training	2 077 073	1 924 531
Transfer fees	30 819	30 865
Transport and freight	1 140	6 553
Traffic: Rental speed cameras	2 197 200	1 967 994
Valuation expense	1 525 962	290 306
Ward committee projects	479 000	357 194
Youth Development Program	272 374	345 535
	143 734 348	95 243 241

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
38. Fair value adjustments		
Fair value adjustment on investment property	560 250	172 150
Water stock movement	117 278	232 287
Fair value adjustment on heritage assets	112 209	20 616 778
Other financial assets		
• Discounting of long term receivables: Movement for the year	1 740 660	712 512
	2 530 397	21 733 727
Discounting of long term receivables: Movement for the year		
Opening balance	7 710 126	8 422 638
Closing balance	(5 969 466)	(7 710 126)
	1 740 660	712 512
39. Auditors' remuneration		
Fees	3 217 238	2 813 066
40. Cash generated from operations		
Surplus	46 056 141	59 597 078
Adjustments for:		
Depreciation, amortisation and impairment	75 909 076	68 599 291
Loss on sale of assets and liabilities	414 748	94 531
Donated assets	(202 000)	(13 858 712)
Loss of water and library materials	308 144	227 224
Fair value adjustments	(2 530 397)	(21 733 727)
Operating lease straight lining	(51 472)	(28 475)
Finance income	162 131	(287 801)
Finance costs	640 517	664 611
Doubtful debt impairment	26 649 986	50 814 912
Actuarial gain/loss	(35 481 150)	10 180 769
Movements in retirement benefit assets and liabilities	19 185 692	16 736 264
Rehabilitation cost	2 974 893	1 761 561
Other non-cash items	(237 877)	471 192
Changes in working capital:		
Inventories	15 439 513	(963 463)
Other receivables from exchange transactions	(1 897 094)	(2 494 013)
Receivables from exchange transactions	(24 493 027)	(13 581 318)
Receivables from non-exchange transactions	(14 407 908)	(31 846 759)
Payables from exchange transactions	(17 340 511)	4 409 521
VAT receivable	163 197	(2 225 092)
Unspent conditional grants and receipts	(24 279 918)	29 154 947
Employee benefit obligation	(2 718 182)	(2 850 969)
	64 264 502	152 841 572

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
41. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Infrastructure	10 426 079	3 664 671
• Housing operating commitments	11 018 022	4 320 316
• Community	3 826 411	-
	25 270 512	7 984 987

Total capital commitments

Already contracted for but not provided for	25 270 512	7 984 987
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This committed expenditure relates to property and infrastructure and will be financed through external loans, reserves and grants.

This Expenditure will be financed from:

External loans	10 426 079	3 664 671
Government grants	14 302 844	4 320 316
Capital replacement reserve	541 589	-
	25 270 512	7 984 987

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	3 047 209	3 031 723
- in second to fifth year inclusive	2 193 370	2 906 899
- later than five years	-	-
	5 240 579	5 938 622

Operating lease payments represent rentals payable by the municipality for certain of its office equipment. The escalation clauses for the lease expenses are 8%. There is however no escalation clause included in the Rentworks and Nashua contracts. Payments made under operating leases are recognised in the Statement of financial performance on a straight-line basis over the period of the lease. The straight lining of leases resulted in decreased current year expenditure of R 67 103 (2014: R 110 602).

Operating leases - as lessor (income)

Minimum lease payments due

- within one year	193 013	166 889
- in second to fifth year inclusive	287 285	429 206
- later than five years	1 833	3 114
	482 131	599 209

Certain of the municipality's property are held to generate rental income. The escalation clauses for the lease income varies between 6% to 10%. Payments received under operating leases are recognised in the Statement of financial performance on a straight-line basis over the period of the lease. The straight lining of leases resulted in decreased current year income of R 15 631 (2014: Decrease R 23 370).

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
42. Contingencies		
Guarantees		
Guarantee Eskom (ABSA)	63 400	63 400
Guarantee South African Post Office Limited (ABSA)	75 000	75 000
	138 400	138 400
Legal Matters		
Sannicare-Dispute with regard to tender which had been awarded to Sannicare.	3 800 000	4 200 000
WCA-Current investigation about a dispute regarding an outstanding amount due by council.	1 646 110	1 592 035
Public Liability - Insurance claims based on quotations and could result in a lessor amount or more. It is the view of Management that it is unlikely that these claims will be paid out but might realise due to past experience.	1 576 548	1 625 181
Ayanda Daniso - Claim for damages suffered due to defendant removing the plaintiff's name from the list of beneficiaries of low cost housing as well as the waiting list of people with housing need.	100 000	-
Zuhair Marlie - Claim in respect of arrest, detention of plaintiff and general damages for contumelia lost of liberty and mental anguish. Claim of legal fees to secure his release.	399 590	-
Claims for damages - It is the view of Management that it is unlikely that these claims will be paid out but might realise due to past experience.	67 683	68 384
	7 589 931	7 485 600
Other		
Guarantees by Council in respect of Housing Loans for Officials.	-	616 973
Contingent asset		
DeVries DeWet & Krouwkam Attorneys - Summons for the negligent handling of Zader court case handled by the accused, who represented the municipality as attorneys. Municipality claimed the total amount of legal fees paid to them while handling the Zader case. The matter was settled on R700 000,00 on 21 October 2014. Contribution of cost as presented by the opposition of R28 469,29 was also accepted.	-	1 615 223
SARS - Dispute was entered into with SARS regarding VAT audit and repayment of amounts paid to SARS. A settlement agreement for the contingent asset regarding the dispute has been reach for an amount of R 799 654.	-	1 761 161
	-	3 376 384

43. Related parties

No related party transactions or relationships existed for the year under review for councillors or senior management with decision making authority, other than those disclosed in Appendix E. Also refer to note 28 and 29 which discloses the remuneration of key management and councillors respectively.

44. Unauthorised and fruitless and wasteful expenditure

Unauthorised expenditure

Unauthorised expenditure to the amount of R 106 000 was incurred during the financial year ended 30 June 2015 due to a donation of a madiba statue received from the Worcester Business Forum.

The unauthorised expenditure for the prior year, 30 June 2014, amounting to R 44 773 758 was condoned by Council on 9 February 2015.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
44. Unauthorised and fruitless and wasteful expenditure (continued)		
Unauthorised expenditure		
Opening balance	44 773 758	-
Unauthorised incurred in the year	106 000	44 773 758
Less: Amounts condoned by council 09.02.2015	(44 773 758)	-
	106 000	44 773 758

Fruitless and wasteful expenditure

No fruitless and wasteful expenditure was incurred during the financial year ended 30 June 2015.

45. Irregular expenditure

Irregular expenditure to the amount of R 91 800 was incurred during the financial year ended 30 June 2015 due to the extension of scope on order of Durabump CC.

The irregular expenditure for the prior year, 30 June 2014, amounting to R 45 213 was condoned by Council on 25 August 2014.

Opening balance	45 213	45 213
Irregular Expenditure incurred in current year	91 800	-
Less: Amounts condoned by council 25.08.2014	(45 213)	-
	91 800	45 213

Incident

Fifa World Cup	-	11 250
Dros	-	33 963
Speed bumps	91 800	-
	91 800	45 213

Analysis of expenditure awaiting condonation per age classification

Current year	91 800	-
Prior years	-	45 213
	91 800	45 213

46. Deviation from Supply Chain Management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council.

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the Accounting Officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

During the financial year under review goods/services totalling R 25 335 812 were procured and the process followed in procuring those goods/services deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer that considered them and subsequently approved the deviation from the normal supply chain management regulations.

A detailed list of deviations is in Appendix K available and on the municipality's website.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
47. Material Losses		
Water distribution losses		
Kilo liters supplied	15 150 339	11 740 512
Kilo liters sold	12 294 092	10 621 976
Kilo liters lost in distribution	2 856 247	1 118 536
Electricity distribution losses		
Units bought (Kwh)	318 032 277	319 877 963
Units sold (Kwh)	298 429 985	296 738 559
Units lost in distribution (Kwh)	19 602 291	23 139 404
Percentage loss in distribution		
Water distribution losses	18.90%	9.53%
Electricity distribution losses	6.16%	7.23%

48. Change in estimate

Property, plant and equipment

Property, plant and equipment: A review of useful lives was done on assets. During the review, certain infrastructure, buildings, motor vehicles and other property plant and equipment with Rnil book values and nil remaining lives were identified. The entity's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. Management concluded that it should apply the change in estimate prospectively from the start of 2015 and therefore the depreciation charge was applied prospectively from 1 July 2014 over the remaining useful life of these assets.

The effect of the change in accounting estimates due to the review of useful lives and residual values is as follows:	2015 R	2016 R	2017 R
Decrease/(Increase) in depreciation on infrastructure assets for the year	1 262 755	1 262 755	1 262 755
Decrease/(Increase) in depreciation on buildings for the year	38 363	38 363	38 363
Decrease/(Increase) in depreciation on other assets for the year	196 495	179 593	129 654
	1 497 613	1 480 711	1 430 772

A review of useful lives was done on assets. During the review certain infrastructure and other property plant and equipment with Rnil book values and nil remaining lives were identified. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. The change in accounting estimate has been applied prospectively from the start of 2015. The effect on the current year is to increase the carrying amount of property, plant and equipment by R 1 497 613 and decrease the depreciation expense by R 1 497 613.

49. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year.

50. Prior period errors

The prior year has been amended to account for prior period errors.

Below is a summary of the total effect that the prior period errors and reclassifications of comparatives had on the amounts previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amounts involved.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

			2015	2014 Restated*
50. Prior period errors (continued)				
Statement of Financial Performance for the year ended 30 June 2014	Balance as previously reported	Prior period error	Reclassified	Restated balance
Revenue				
Service charges	399 502 448	-	-	399 502 448
Income from agency services	5 225 101	-	-	5 225 101
Licences and permits	2 759 893	-	-	2 759 893
Rental income	11 298 141	-	-	11 298 141
Other income	10 713 449	(72 228)	-	10 641 221
Finance income	12 164 473	-	-	12 164 473
Property rates	88 096 043	-	-	88 096 043
Property rates - penalties imposed and collection	779 100	-	-	779 100
Government grants and subsidies	207 707 719	-	-	207 707 719
Fines, penalties and forfeits	52 035 143	(6 808 877)	-	45 226 266
Total revenue	790 281 510	(6 881 105)	-	783 400 405
Expenditure				
Employee related costs	(198 841 515)	213 753	-	(198 627 762)
Remuneration of councillors	(13 693 297)	-	-	(13 693 297)
Doubtful debt	-	(213 753)	(50 601 159)	(50 814 912)
Depreciation, amortisation and impairment	(68 660 087)	60 796	-	(68 599 291)
Rehabilitation	(1 761 561)	-	-	(1 761 561)
Bulk purchases	(207 240 966)	-	-	(207 240 966)
Finance costs	(28 637 978)	-	-	(28 637 978)
Collection costs	(198 886)	-	-	(198 886)
Repairs and maintenance	(47 050 677)	-	1 141 759	(45 908 918)
Contracted services	(7 665 612)	(1 467)	-	(7 667 079)
Grants and subsidies paid	(131 600)	-	-	(131 600)
Contributions to employee benefits	(78 044 710)	526 518	60 781 928	(16 736 264)
General expenses	(94 100 352)	(1 130)	(1 141 759)	(95 243 241)
Total expenditure	(746 027 241)	584 717	10 180 769	(735 261 755)
 Operating surplus	 44 254 269	 (6 296 388)	 10 180 769	 48 138 650
Actuarial loss	-	-	(10 180 769)	(10 180 769)
Fair value adjustment	21 817 876	(84 150)	-	21 733 726
Gain/ (loss) on disposal of assets	480 991	(575 522)	-	(94 531)
Surplus / (deficit) for the year	66 553 136	(6 956 060)	-	59 597 076

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

			2015	2014 Restated*
50. Prior period errors (continued)				
Statement of Financial Position as at 30 June 2014	Balance as previously reported	Prior period error	Reclassified	Restated balance
Assets				
Current Assets				
Cash and cash equivalents	82 173 774	-	-	82 173 774
Receivables from exchange transactions	62 912 431	(72 228)	(3 243 572)	59 596 631
Receivables from non-exchange transactions	-	(6 808 877)	27 031 805	20 222 928
Other receivables from exchange transactions	25 786 747	-	(19 260 675)	6 526 072
Inventories	29 109 041	-	-	29 109 041
VAT receivable	7 500 118	-	(5 681 991)	1 818 127
Short term investments	85 000 000	-	-	85 000 000
Long term receivables	2 240 695	-	223 925	2 464 620
Total current assets	294 722 806	(6 881 105)	(930 508)	286 911 193
Non-current Assets				
Investment property	8 366 000	(336 550)	-	8 029 450
Property, plant and equipment	1 870 696 671	(113 329)	-	1 870 583 342
Intangible assets	5 221 314	-	-	5 221 314
Heritage assets	36 968 850	(560 000)	-	36 408 850
Long term receivables	9 246 316	-	930 508	10 176 824
Total non-current assets	1 930 499 151	(1 009 879)	930 508	1 930 419 780
Liabilities				
Current Liabilities				
Payables from exchange transactions	(91 750 538)	(36 356)	-	(91 786 894)
Consumer deposits	(3 308 208)	-	-	(3 308 208)
Unspent conditional grants and receipts	(50 409 982)	-	-	(50 409 982)
Long term liabilities	(26 468 195)	-	-	(26 468 195)
Employee benefit obligations	(20 420 652)	(3 993 398)	-	(24 414 050)
Total current liabilities	(192 357 575)	(4 029 754)	-	(196 387 329)
Non-current Liabilities				
Long term liabilities	(228 173 036)	-	-	(228 173 036)
Employee benefit obligations	(153 718 992)	-	-	(153 718 992)
Provisions	(25 880 078)	-	-	(25 880 078)
Total non-current liabilities	(407 772 106)	-	-	(407 772 106)
Net Assets				
Accumulated surplus - Opening balance	1 558 539 139	(4 964 678)	-	1 553 574 461
Surplus / (deficit) for the year	66 553 138	(6 956 060)	-	59 597 078
Total net assets	1 625 092 277	(11 920 738)	-	1 613 171 539

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
50. Prior period errors (continued)		
Error 1 - Employee cost		
Opening balance		198 841 515
Over charge of overtime due to system error		(213 753)
		<u>198 627 762</u>
Error 1 - Doubtful debt		
Opening balance		50 601 159
Over charge of overtime due to system error		213 753
		<u>50 814 912</u>
Error 1 - Other receivables from exchange transactions		
Opening balance including reclassification		6 526 072
Receivable for overtime		213 753
Provision for impairment of receivable		(213 753)
		<u>6 526 072</u>
Error 1		
The following error occurred due to the system incorrectly calculating overtime paid. Therefore a receivable was created to recollect this from the employees. The receivable was provided for due to the uncertainty regarding the collection of this amount.		
Error 2 - Creditors		
Opening balance		91 750 538
Sundry creditors incorrectly recorded		2 596
Sundry creditors incorrectly recorded - Error 3		33 759
		<u>91 786 893</u>
Error 2 - Contracted services		
Opening balance		7 665 612
Security creditor incorrectly recorded		1 467
		<u>7 667 079</u>
Error 2 - General expenses		
Opening balance including reclassification		95 242 111
Sundry creditors incorrectly recorded		1 130
		<u>95 243 241</u>

Error 2

Creditors for the amount of R 2 596 were incorrectly processed in the system relating to security services and water levies.

Error 3

Creditors incorrectly processed to the amount of R 33 759 refer to error 2 for the restatement of the balance in creditors and the restatement of the accumulated surplus in the table below the detailed errors.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
50. Prior period errors (continued)		
Error 4 - Property, plant and equipment		
Carrying value opening balance		1 870 696 671
Accumulated depreciation reversed for disposal in 2012		738
Accumulated depreciation reversed for disposal in 2013		1 444
Accumulated depreciation reversed for disposal in 2014		4 082
Disposal of the carrying value of the assets in 2011		(2 698)
Disposal of the carrying value of the assets in 2012		(1 884)
Disposal of the carrying value of the assets in 2013		(4 382)
Disposal of the carrying value of the assets in 2014		(4 840)
Reversal of accumulated depreciation due to incorrect useful life estimation in 2013 - Error 5		8 272
Reversal of accumulated depreciation due to incorrect useful life estimation in 2014 - Error 5		56 714
Disposal of land in 2012 - Error 6		(20 847)
Disposal of land in 2013 - Error 6		(59 247)
Disposal of land in 2014 - Error 6		(90 681)
		1 870 583 342
Error 4 - Depreciation		
Opening balance		68 660 087
Depreciation reversed for disposal in 2014		(4 081)
Reversal of depreciation due to incorrect useful life estimation in 2014 - Error 5		(56 714)
		68 599 292
Error 4 - Gain on the disposal of assets		
Opening balance		480 991
Loss on disposal of assets in 2014		(4 840)
Loss on disposal of land in 2014 - Error 6		(90 681)
Loss on disposal of Heritage assets - Error 11		(480 000)
		(94 530)
Error 4		
Assets with a total carrying value of R 13 804.10 were not disposed of in the correct year and have now been accounted for. The depreciation of the assets incurred after the disposal date has also been reversed, refer to the restatement of the accumulated surplus in the table below the detailed errors.		
Error 5		
Accumulated depreciation reversed to the amount of R 64 987 due to incorrect estimation of useful life, refer to error 4 for the restatement of the accumulated depreciation and depreciation and the restatement of the accumulated surplus in the table below the detailed errors.		
Error 6		
Disposal of land that should have been disposed of in prior periods to the amount of R 80 095, refer to error 4 and the restatement of the accumulated surplus in the table below the detailed errors.		
Error 7 - Investment property		
Opening balance		8 366 000
Disposal of investment property in 2012		(19 400)
Disposal of investment property in 2013		(295 000)

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
50. Prior period errors (continued)		
Correction of fair value adjustment on investment property in 2013		(18 000)
Correction of fair value adjustment on investment property in 2014		(4 150)
		8 029 450
Error 7 - Fair value adjustment		
Opening balance		21 817 876
Correction of fair value adjustment on investment property in 2014		(4 150)
Reversal of fair value adjustment due to disposal of Heritage asset - Error 11		(80 000)
		21 733 726
Error 7		
Disposal of investment property which should have been disposed in prior periods to the amount of R 314 400. The fair value adjustment corrections on investment property to the value of R 22 150. Refer to the restatement of the accumulated surplus in the table below the detailed errors.		
Error 8 - Short term employee benefits		
Opening balance		20 420 652
Providing for the opening balance of the 13th cheque bonus		4 519 915
Providing for the 2014 contribution to the 13th cheque bonus		(526 517)
		24 414 050
Error 8 - Contribution to employee benefits		
Opening balance including reclassification		17 262 782
Providing for the 2014 contribution to the 13th cheque bonus		(526 517)
		16 736 265
Error 8		
Providing for a 13th cheque bonus accrual which has previously not been recorded. Refer to the restatement of the accumulated surplus in the table below the detailed errors.		
Error 9 - Other income		
Opening balance including reclassification		10 764 932
Royalties incorrectly levied in 2014		(72 228)
		10 692 704
Error 9 - Receivables from exchange transactions		
Opening balance including reclassification		59 668 859
Royalties incorrectly levied in 2014		(72 228)
		59 596 631
Error 9		
Correction of royalties to the amount of R 72 228 which was incorrectly levied in the 2014 year.		
Error 10 - Fines, penalties and forfeits		
Opening balance		52 035 143
Movement of fines incorrectly recorded in 2014		(6 808 877)
		45 226 266

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
50. Prior period errors (continued)		
Error 10 - Receivables from non-exchange transactions		
Opening balance including reclassification		27 031 805
Movement of fines incorrectly recorded in 2014		(6 808 877)
		<u>20 222 928</u>

Error 10

Movement for the fines revenue to the amount of R 6 808 877 was incorrectly recorded in the 2014 year.

Error 11 - Heritage assets

Opening balance	36 968 850
Loss on disposal of heritage assets	(480 000)
Reversal of fair value adjustment due to disposal	(80 000)
	<u>36 408 850</u>

Error 11

Heritage assets relating to the work of art classification were disposed to the amount of R 480 000 and a reversal of the fair value adjustment to the amount of R 80 000 due to an investigation regarding three paintings. Refer to Error 4 where the adjustment to the loss of the disposal is made and Error 7 where the adjustment to the fair value is made. Refer above for the adjustment on the Heritage assets.

Error 12 - Revenue from exchange transactions

Opening balance	433 671 693
Revenue forgone -Property Rates	7 919 585
	<u>441 591 278</u>

Error 12 - Revenue from non - exchange transactions

Opening balance	349 728 712
Revenue forgone -Property Rates	(7 919 585)
	<u>341 809 127</u>

Error 12

Revenue forgone on Property Rates were included in the total Revenue Forgone amount under Revenue from exchange transactions instead of Revenue from non-exchange transactions.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
50. Prior period errors (continued)		
Restatement of accumulated surplus		
Opening balance as per 1 July 2013		1 558 067 949
Sundry creditors incorrectly processed - Error 3		(33 759)
Depreciation reversed for disposal in 2012 - Error 4		738
Depreciation reversed for disposal in 2013 - Error 4		1 444
Loss on disposal of assets in 2011 - Error 4		(2 698)
Loss on disposal of assets in 2012 - Error 4		(1 884)
Loss on disposal of assets in 2013 - Error 4		(4 382)
Reversal of depreciation due to incorrect useful life estimation in 2013 - Error 5		8 272
Loss on disposal of land in 2012 - Error 6		(20 848)
Loss on disposal of land in 2013 - Error 6		(59 246)
Loss on disposal of investment property in 2012 - Error 7		(19 400)
Loss on disposal of investment property in 2013 - Error 7		(295 000)
Correction of fair value adjustment on investment property in 2013 - Error 7		(18 000)
Providing for the opening balance of the 13th cheque bonus - Error 8		(4 519 915)
		1 553 103 271

Restatement of accumulated surplus

The accumulated surplus has been restated to the balance of R 1 553 103 271 after taking the effects of the errors above into account.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
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51. Financial instruments disclosure

Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2015

	Amortised Cost	Total
Cash and cash equivalents	106 930 779	106 930 779
Receivables from exchange transactions	69 430 330	69 430 330
Receivables from non-exchange transactions	1 603 242	1 603 242
Other receivables from exchange transactions	6 703 095	6 703 095
Long term receivables	9 047 291	9 047 291
Short term investments	30 000 000	30 000 000
	223 714 737	223 714 737

2014

	Amortised Cost	Total
Cash and cash equivalents	82 173 774	82 173 774
Receivables from exchange transactions	59 596 628	59 596 628
Receivables from non-exchange transactions	3 383 122	3 383 122
Other receivables from exchange transactions	6 526 071	6 526 071
Long-term receivables	12 641 444	12 641 444
Short term investments	85 000 000	85 000 000
	249 321 039	249 321 039

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

Cash at bank and short-term bank deposits	Rating		
ABSA	F1+	106 900 454	82 144 099
ABSA	F1+	10 000 000	20 000 000
Nedbank	F1+	5 000 000	30 000 000
Investec	F1	10 000 000	15 000 000
Standard Bank	F1+	5 000 000	20 000 000
		136 900 454	167 144 099

F1 - Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

F2 - Good credit rating. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of higher ratings.

F3 - Fair credit rating. The capacity for timely payment of financial commitments is adequate; however, near term adverse changes could result in a reduction to non-investment grade.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
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Financial instruments disclosure (continued)

Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2015

	At amortised cost	Total
Long term liabilities	228 173 036	228 173 036
Consumer deposits	3 680 760	3 680 760
Payables from exchange transactions	75 035 428	75 035 428
Unspent conditional grants and receipts	24 350 185	24 350 185
	<u>331 239 409</u>	<u>331 239 409</u>

2014

	At amortised cost	Total
Long term liabilities	254 641 231	254 641 231
Consumer deposits	3 308 208	3 308 208
Payables from exchange transactions	91 786 894	91 786 894
Unspent conditional grants and receipts	50 409 982	50 409 982
	<u>400 146 315</u>	<u>400 146 315</u>

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
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52. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Prudent liquidity risk management implies maintaining sufficient cash and investments, the availability of funding for service delivery through effective budgeting and availability of credit facilities. The municipality manages its risks through effective and efficient budgeting and credit control. The liquidity risk is thus limited.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	75 035 428	-	-	-
Consumer deposits	3 680 760	-	-	-
Long term liabilities	24 626 860	21 021 004	30 177 574	119 093 742
Unspent conditional grants and receipts	24 350 185	-	-	-
	127 693 233	21 021 004	30 177 574	119 093 742
At 30 June 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	91 750 538	-	-	-
Consumer deposits	3 308 208	-	-	-
Long term liabilities	26 468 195	5 109 055	4 327 911	218 736 069
Unspent conditional grants and receipts	50 409 982	-	-	-
	171 936 923	5 109 055	4 327 911	218 736 069

Credit risk

Credit risk is managed by debt collection department. The credit risks, rates and consumer receivables, are managed in terms of the credit control and debt collection as well as the indigent relief policies.

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Receivables comprise a widespread customer base. Management evaluated credit risk relating to receivables on an ongoing basis. If receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the receivable, taking into account past experience with the client's payment rate. Sales to customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument		
Receivables from exchange transactions	69 430 330	59 596 630
Receivables from non-exchange transactions	1 603 242	3 383 122
Other receivables from exchange transactions	6 703 095	6 526 071
Long term receivables	9 047 291	12 641 444
Short term investments	30 000 000	85 000 000
Cash and cash equivalents	106 930 779	82 173 774
	223 714 737	249 321 041

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
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52. Risk management (continued)

Market risk

Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

A potential interest rate risk may arise from the short term deposits, cash and cash equivalents, consumer receivables, other receivables and long term receivables.

The short term deposits and cash and cash equivalents has limited exposure as the municipality interacts with well-established financial institutions of high credit standing. The investments are further of a short term nature.

Consumer receivables comprise of receivables dispersed over a large geographical area. The receivables are constantly analysed and evaluated for their financial condition. Receivables are disclosed net of the allowance for impairment. Where the accounts of the receivables become in arrears, they are collected through the levying of a penalty, the charging of interest at prime +1% or the handing over for collection.

Long term receivables comprise mainly of the deferred consumers which shown at a fair value. The remaining long term receivables if required are charged interest at a fixed rate. The long term receivables are evaluated annually for impairment.

The municipality's has a low interest rate risk as a long-term borrowing are made on fixed interest rates.

As the municipality has no long term variable rate financial instruments no sensitivity analysis is required at year end.

Price risk

The municipality is not exposed to price risk.

53. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

54. Events after the reporting date

No non-adjusting events have occurred after the reporting date.

55. In-kind donations and assistance

In-kind donations, in the form of assets, to the value of R 202 000 have been received by the Municipality during the 2014/2015 financial year.

56. Additional disclosure in terms of Municipal Finance Management Act

Municipal bank accounts

Bank statement balances	30 June 2015	30 June 2014	30 June 2013
ABSA Bank - Worcester Branch Cheque Account	106 623 646	84 166 008	123 545 664
Membership fees: SALGA			
Current year subscription / fee		2 364 161	2 079 834
Amount paid - current year		(2 364 161)	(2 079 834)
		-	-

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

	2015	2014 Restated*
56. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Audit fees		
Opening balance	-	-
Current year subscription / fee	3 217 237	2 813 066
Amount paid - current year	(3 217 237)	(2 813 066)
	<u>-</u>	<u>-</u>
PAYE and UIF		
Opening balance	2 230 882	2 093 278
Current year subscription / fee	27 866 273	25 958 891
Amount paid - current year	(25 554 666)	(23 728 009)
Amount paid - previous years	(2 230 882)	(2 093 278)
	<u>2 311 607</u>	<u>2 230 882</u>
Pension and medical aid deductions		
Opening balance	191 371	161 461
Current year subscription / fee	59 918 967	56 007 392
Amount paid - current year	(60 124 827)	(56 198 764)
Amount paid - previous years	(191 371)	(161 462)
	<u>(205 860)</u>	<u>(191 373)</u>
VAT		
VAT receivable	1 654 931	1 818 127
VAT payable	-	-
	<u>1 654 931</u>	<u>1 818 127</u>

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

As at 30 June 2015 there were no Councillors with arrear consumer accounts outstanding for more than 90 days. The total arrear consumer accounts outstanding for more than 90 days as at 30 June 2014 year was as follows:

30 June 2014	Outstanding less than 90 days	Outstanding more than 90 days	Total
CF & C Wilskut	-	1 613	1 613
FJ Klein	-	757	757
VKM Apollis	-	492	492
	<u>-</u>	<u>2 862</u>	<u>2 862</u>

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Council. The expenses incurred as listed hereunder have been condoned.

A detailed list of deviations is in Appendix K available and on the municipality's website.

BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2015
APPENDIX A: EXTERNAL LOANS

	Date Received	Amount Received	Date Redeemable	Transactions for the year to date:				Less: Interest Paid Previous Year	Add: Interest Accrued Current Year	Balance as at 2015/06/30	Carrying Value	Short term Portion
				Balance as at 2014/07/01	Received	Redeemed	Interest Paid					
EXTERNAL LOANS												
ANNUITY & STOCK LOANS												
3 9001 60725100				254 641 231	0	26 468 195	28 586 467	(6 783 692.48)	6 143 175	228 173 036	324 537 692	24 626 860
Loans redeemed												
DBSA: @10.55%	556	21 736 259.25	31/03/2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1 746 867.32	0.00
DBSA: @10.891%	557	22 000 000.00	31/03/2015	3 601 241.70	0.00	3 601 241.70	297 040.40	(97 784.17)	0.00	0.00	11 002 552.47	0.00
DBSA: @ 10.40%	558		31/03/2009	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14 031 844.88	0.00
DBSA: @ 11.00%	559	9 179 000.00	31/03/2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135 405.62	0.00
DBSA: @ 12.00%	560	3 000 000.00	31/03/2017	1 137 623.73	0.00	336 038.50	126 764.22	(34 035.21)	23 981.67	801 585.23	2 773 415.69	0.00
DBSA: @12.00%	561	7 000 000.00	31/03/2017	2 641 960.42	0.00	780 398.98	294 390.88	(79 041.67)	55 693.84	1 861 561.44	514 135.64	377 369.52
ABSA: @ Variable rate	562		30/06/2009	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1 671 405.04	876 384.11
DBSA: @ 8.69%	2669	25 000 000.00	30/09/2016	8 954 827.53	0.00	3 355 625.78	707 060.10	(194 010.63)	121 309.31	5 599 197.75	6 674 055.43	0.00
INCA: @ 10.21%	2991	50 000 000.00	30/09/2016	17 480 987.41	0.00	6 476 059.82	1 624 173.72	(444 979.72)	280 131.19	11 004 927.59	17 152 207.10	3 652 661.53
INCA: @ 10.14%	2992	5 000 000.00	30/09/2012	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37 457 924.90	7 152 039.65
DBSA: @ 5.00%	5027	23 000 000.00	31/03/2018	10 579 055.91	0.00	2 452 520.79	498 774.54	(131 875.90)	101 303.38	8 126 535.12	1 921 427.23	0.00
DBSA: @ 9.46%	5028	40 000 000.00	31/03/2018	20 496 784.40	0.00	4 438 345.37	1 836 850.92	(483 420.87)	378 741.58	16 058 439.03	18 580 945.14	2 575 740.67
DBSA: @ 9.46%	5029	2 000 000.00	31/03/2015	370 718.60	0.00	370 718.60	26 530.18	(8 743.47)	0.00	0.00	34 035 107.75	4 864 596.45
DBSA: @ 6.75%	11097	21 000 000.00	31/03/2030	18 393 066.67	0.00	667 825.74	1 230 535.62	(309 532.64)	298 293.95	17 725 240.93	19 469 620.68	710 451.32
DBSA: @ 12.08%	11098	29 000 000.00	31/03/2030	26 392 003.70	0.00	596 157.22	3 170 979.88	(794 854.85)	776 900.37	25 795 851.48	27 812 121.00	661 911.20
DBSA: @ 11.326%	11099	50 000 000.00	31/03/2030	46 911 386.00	0.00	1 135 941.67	5 282 388.13	(1 324 656.73)	1 292 580.66	45 775 444.33	46 937 381.23	1 254 226.35
DBSA: @ 11.5%	11100	50 000 000.00	31/03/2030	47 478 139.20	0.00	1 131 115.76	5 428 876.26	(1 361 256.79)	1 328 826.19	46 347 019.44	48 395 999.56	1 250 527.25
DBSA: @ 12.14%	11101	51 000 000.00	31/03/2030	50 203 435.86	0.00	1 126 202.48	6 062 102.44	(1 519 499.83)	1 485 413.23	49 077 233.38	33 825 774.97	1 250 951.58

BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2015

APPENDIX A: EXTERNAL LOANS

INTEREST ALLOCATED INCOME & EXPENDITURE			Amount
Department	Main Vote		
Health(De/Dooms)T/River(Rav	1218		5 584.85
P.W. Stormwater Drains: Worc	1533		35 995.18
P.W.: Street Lighting	1536		11 612.30
P.W. Streets: Worcester	1539		170 093.68
BTO: Admin	2403		378.82
Cem.: Zweekeltemba	3609		905.72
Cem.: Rawsonville	3612		1 288.80
Cemetery Touws River	3618		452.86
Cemetery : New	3627		28 324.02
C.B.Sport/Indoor Sport Centre	3906		12 983.31
C.B.:C.H.:Zweekeltemba	3909		4 627.35
C.B.:Other Buildings	3915		3 676.60
C.B.:Hex Valley People's Cent	3918		3 961.90
C.B.:C.H.:Touws River	3921		3 470.07
AVIANPARK COMMUNITY CEI	3990		127.54
F.P.: Administration	4203		826.14
Boland Park Sportground	5130		2 277.40
Esselen Park Sportground	5133		3 278.70
R.F.: Parks (Other)	5151		4 934.69
R.R.: Dumping Site	6606		64 780.18
Sew.:Disp.Works-Touwsrivier	6905		98 918.07
Sew.: Disp. Works-Worcester	6906		11 308 719.17
Sew.: Disp. Works-Rawsonvill	6907		219 970.30
Sew.: Disp. Works-De Doorns	6908		261 098.35
Sew. Networks: Worcester	6912		761 414.88
Elec.: Network & Substation	8112		7 909 443.70
Network & Pumps: Worcester	8412		510 925.76
Bulk Water De Doorns	8416		142 960.30
W.M.: Stettynskloof Dam	8418		4 353 233.79
Res.: Vehicle distribution	8860		19 685.75
			25 945 950.18
Interest Paid			26 586 467.29
Interest Accrued	2013/14		-6 783 692.46
Interest Accrued	2014/15		6143175.37
Total			25 945 950.18

Cost/Revaluation 2015

Classification of Assets

	Opening balance as previously stated 30.6.2014	Prior period error / Implementation of GRAP 103	Restated opening balance	Additions	Grat 12 Transfer	Fair value adjustment	Transfers	Restoration of assets	Disposals	Closing Balance 30.6.2015
LAND	246 857 472	(170 776)	246 686 696	3 004 619			-		(671 705)	249 019 610
BUILDINGS	259 524 377	(242 676)	259 281 701	3 762 794			-		(2 119 622)	260 924 873
INFRASTRUCTURE	2 278 429 108	0	2 278 429 108	61 873 932	1 618 663		(20 514)		(645 824)	2 341 255 365
HERITAGE ASSETS	36 968 850	(560 000)	36 408 850	110 000		112 209	-			36 631 059
OTHER ASSETS	74 695 787	(12 274 570)	62 421 217	6 357 927		-	20 514	48 456 126	(3 527 684)	113 728 089
INTANGIBLE ASSETS	6 171 238		6 171 238	787 043			-		(425 689)	6 532 592
INVESTMENT PROPERTY	8 366 000	(336 550)	8 029 450	-		560 250	-		-	8 589 700
Total	2 911 012 832	(13 584 572)	2 897 428 260	75 896 315	1 618 663	672 459	-	-	(7 390 524)	3 016 681 298

Breeda Valley Municipality
Annual Financial Statements for the year ended 30 June 2015
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Cost/Revaluation 2014									
	Opening balance as previously stated 30.6.2013	Prior period error	Restated opening balance	Additions	GRAP 12 Transfer	Fair value adjustment	Transfers	Restoration of assets	Disposals	Closing Balance 30.6.2014
LAND	244 501 368	(60 094)	244 421 274	3 040 000	-	-	-	-	(774 577)	246 686 697
BUILDINGS	253 144 375	(81 632)	253 062 743	8 012 620	-	-	(24 660)	-	(1 769 002)	259 281 701
INFRASTRUCTURE	2 183 490 937	0	2 183 490 937	106 783 761	(594 678)	-	343 083	-	(11 593 995)	2 278 429 109
HERITAGE ASSETS	16 402 072	(0)	16 402 072	-	-	20 616 778,00	-	-	(610 000,00)	36 408 850
OTHER ASSETS	73 206 792	(0)	73 206 792	9 415 802	-	-	(318 423)	(5 738 450)	(1 869 933)	74 695 788
INTANGIBLE ASSETS	6 111 098	2 702,90	6 113 801	572 778	-	-	-	0	(515 341,05)	6 171 238
INVESTMENT PROPERTY	9 543 100	(332 400)	9 210 700	-	-	172 150	-	-	(1 353 400)	8 029 450
Total	2 786 399 742	-491 424	2 785 908 318	127 824 961	(594 678)	20 788 928	-	-	(18 486 247)	2 915 441 283

Breeds Valley Municipality
Annual Financial Statements for the year ended 30 June 2015
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets		Accumulated Depreciation 2015							
		Opening balance as previously stated 30.6.2014	Prior period error / Implementation of GRAP 103	Restated opening balance	Additions	Impairment	Disposals	Transfers	Closing Balance 30.6.2015
LAND		-	-	-	-	-	-	-	-
BUILDINGS		158 714 046	(293 032)	158 421 014	5 433 091		(1 423 331)	-	162 430 773
INFRASTRUCTURE		788 122 329	(4 069)	788 118 260	61 241 007		(645 824)	(4 072)	848 709 370
HERITAGE ASSETS		-		-	-	-	-	-	-
OTHER ASSETS		41 973 698	(12 277 593)	29 696 105	8 772 138	0	(3 461 907)	4 072	35 010 408
INTANGIBLE ASSETS		949 923	0	949 923	462 841		(425 689)		987 075
INVESTMENT PROPERTY			-	-					-
Total		988 759 996	-12 574 694	977 185 301	75 909 077	0	(5 956 752)	(0)	1 047 137 625

Broede Valley Municipality
Annual Financial Statements for the year ended 30 June 2015
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Accumulated Depreciation 2014							
	Opening balance as previously stated 30.6.2013	Prior period error	Restated opening balance	Additions	Impairment	Disposals	Transfers	Closing Balance 30.6.2014
LAND	-	-	-	-	-	-	-	-
BUILDINGS	154 262 866	(83 123)	154 179 743	5 740 066	-	(1 488 074)	(721)	158 421 014
INFRASTRUCTURE	744 343 148	(0)	744 343 148	55 336 990	19 603	(11 593 995)	12 514	788 118 260
HERITAGE ASSETS	-	-	-	-	-	-	-	-
OTHER ASSETS	36 432 503	-	36 432 503	7 182 847	31 641	(1 664 524)	(11 793)	41 970 674
INTANGIBLE ASSETS	1 177 120	0	1 177 120	288 144	0	(515 341)	0	949 923
INVESTMENT PROPERTY	-	-	-	-	-	-	-	-
Total	936 215 637	-83 123	936 132 514	68 548 047	51 244	(15 271 934)	(0)	989 459 872

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

APPENDIX C

STATISTICAL INFORMATION

(1) General Statistics		2015	2014	2013	2012	2011
(a)	Population.	±				
(b)	Valuation					
	(i) Taxable					
	Land	1 042 161 000	1 061 169 000	1 056 504 000	784 917 470	786 417 970
	Improvements	14 756 937 000	14 662 367 000	14 608 065 000	10 728 337 000	10 485 363 000
	(ii) Non Taxable			0	0	0
	Land			0	0	0
	Improvements			0	0	0
	(iii) Date of Last General Valuation	2012/07/01	2012/07/01	2012/07/01	2007/07/02	2007/07/02
(c)	Number of properties					
	Residential	19 465	18 379	17 983	17 562	16 706
	Commercial	702	1 015	1 016	1 018	1 026
	Other	4 708	4 564	4 401	3 631	3 611
	Rural	2 222	2 219	2 265	2 243	2 195
(d)	Assesment Rate: Cent in the Rand	0.8520 + 1.7040	0.7526 + 1.5052	0.7100 + 1.4200	0.7603 + 1.4242	0.7073 + 1.3248
(e)	Number of Employees					
	Employed	825	902	909	930	913
	Vacancies	166	157	128	107	78
(2) Electrical Statistics						
(a)	Number of users	±	24 366	24 333	24 127	23 983
(b)	Units bought	kWh	318 032 277	319 877 963	321 808 534	325 075 006
(c)	Units sold	kWh	298 429 985	296 738 559	298 016 525	307 361 747
(d)	Units lost in distribution	kWh	19 602 291	23 139 404	23 792 009	17 713 259
(e)	Percentage of units lost in distribution		6.164%	7.234%	7.393%	5.449%
(f)	Cost per unit bought	R	0.917023	0.866741	0.820005	0.741435
(g)	Loss in distribution	R	17 975 754	20 055 870	19 510 566	13 133 237
(h)	Cost per unit sold	R	0.977258	0.934329	0.885515	0.784164
(i)	Income per unit sold	R	1.078843	1.017016	0.968670	0.846885
(3) Water Statistics						
(a)	Number of users	±	25 486	25 427	24 604	26 360
(b)	Units supplied	Kl	15 150 339	11 740 512	14 097 007	15 442 467
(c)	Units sold	Kl	12 294 092	10 621 976	11 893 839	12 113 253
(d)	Units lost in distribution	Kl	2 856 247	1 118 536	2 203 168	3 329 214
(e)	Percentage of units lost in distribution		18.8527%	9.5271%	15.6286%	21.5588%
(f)	Cost per unit supplied	R	6.631379	5.920327	4.114450	3.407909
(g)	Loss in distribution	R	18 940 856	6 622 099	9 064 825	11 345 657
(h)	Cost per unit sold	R	7.136594	6.543760	4.875940	4.344540
(i)	Income per unit sold	R	6.260953	6.086170	5.610712	4.219454
(4) Sundry Statistics						
(a)	Area in km ²		3 833	3 833	3 833	3 833
(b)	Previous election					
	Number of registered voters		70 002	70 002	70 002	70 002
	% poll					
(c)	Building survey:					
	(i) Building plans					
	Number passed		1678	925	577	918
	Value passed (R '000)		471 862 000	478 160 000	323 864 000	2 788 976 000
	(ii) Inspections performed	±	3 941	4 000	5 000	5 800
(d)	Housing					
	(i) Number of dwelling units		2 703	3 044	2 747	3 044
	(ii) Number of people acc	±	13515			15 220
	(iii) Number of people on waiting list		24 615	23 194	22 000	8 096
(e)	Fire service stations		2	2	2	2

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BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

APPENDIX E

Awards and payments to persons with relatives in the service of Breede Valley Municipality for the year under review: 2014/15

Enkosi Construction - Tonie Winnaar (Spouse/Husband of Juliette Winnaar)

Awards to the amount of R37,800.00 were made to Enkosi Constructi

Juliette Winnaar is an employee in the WWTW Section within the Operations Directorate of the Breede Valley Municipality

T H Traders - Trevor Human (Brother of Deon Human)

Awards to the amount of R22,015.00 were made to T H Traders

Deon Human is an employee in the Parks & Recreational Section within the Operations Directorate of the Breede Valley Municipality

Golimas Pty Ltd- Goliath Jacobs (Parent/Father of Brumilda Jacobs)

Awards to the amount of R76,625.60 were made to Golimas Pty Ltd

Brumilda Jacobs is a Financial Intern in the Internal Audit Section under the office of the Municipal Manager of the Breede Valley Municipality

Kleinplasie Restaurant - Heletia Botha (Parent/Mother of Jole Botha)

Awards to the amount of R22,961.00 were made to Kleinplasie Restaurant

Jole Botha is the Personal Assistant to the Executive Mayor within the Corporate Directorate of the Breede Valley Municipality

Thozisto Team - Linda Dyonta (Spouse/Wife of T.C.Dyonta)

Awards to the amount of R24,277.34 were made to Thozisto Team

T.C.Dyonta is a councillor in council of the Breede Valley Municipality

ZN Paliso Taxi's - Nelson Paliso (Brother of Ndileka Nyangaza)

Awards to the amount of R13,900.00 were made to ZN Paliso Taxi's

Ndileka Nyangaza is an employee in the Traffic Section within the Community Directorate of the Breede Valley Municipality (Cashier)

TS Bushwana Bus and Taxi Services (Daughter of Mr. Bushwana)

Awards to the amount of R18,200.00 were made to TS Bushwana and Taxi Services

Letitia Bushwana is an Agreement Clerk (Credit Control) Finance Department

Mayeki NE Taxi Services (Parent/Mother of G Simpiwe Mayeki)

Awards to the amount of R7,800.00 were made to Mayeki NE Taxi Services

Simpiwe Mayeki is the Manager: Human Settlements and Development

TG Mayeki Taxi Services (Parent/Mother of G Simpiwe Mayeki)

Awards to the amount of R1,600.00 was made to TG MayekiTaxi Services

Simpiwe Mayeki is the Manager: Human Settlements and Development

DJ Xito (Husband of Ntando Vas)

Awards to the amount of R53,900.00 were made to DJ Xito

Ntando Vas is a HR Clerk (Human Resource Department)

TOTAL PAYMENTS

R 279 078.94

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

APPENDIX E**Awards and payments to persons with relatives in other State Departments*****Lebaea taxi transport (Wife of Christo Dallas Lebaea)***

Awards to the amount of R5,600 were made to Lebaea Taxi Transport
Dimakatso Agnes Lebaea: Correctional Officer at The Department of Correctional Service

Total Computer Services PTY LTD (Spouse/Wife of CEO)

Awards to the amount of R220,248.00 were made to Total Computer Services PTY LTD
Nomagasa Racheal Tsipa Sipoyo is employed by Department Transport and Public Works

Conradie Incorporated - Andries Francois Conradie (Spouse /Husband of Tara Conradie)

Awards to the amount of R109,195.60 were made to Conradie Incorporated
Tara Conradie is an employee in the Western Cape Education Department

M.M Du Toit (Spouses/Wife of W.J Du Toit)

Awards to the amount of R6,000.00 were made to M.M Du Toit
W.J Du Toit is an employee in the service of Transnet

M P Builders & Civil CC - Magdalena Persent (Spouse/Wife of Josef Persent)

Awards to the amount of R26,500.00 were made to M P Builders & Civil
Josef Persent is a Teacher in the Western Cape Education Department

Mvambane Tradings CC - Anna Nomvula Mooi (Parent/Mother of Luyanda Mooi)

Awards to the amount of R16,240.00 were made to Mvambane Tradings cc
Luyanda Mooi is a warden in the Department of Correctional Services

TOTAL PAYMENTS**R 383 783.60****GRAND TOTAL****R 662 862.54**

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2015

Appendix F A2
WC025 Breede Valley - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2014/15						2013/14					
	Original Budget	Budget Adjustments (i.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	132 333	482	132 815	141 355		8 540	106.4%	106.8%				156 159
Executive and council	721	343	1 064	1 106		42	104.0%	153.5%				425
Budget and treasury office	127 873	697	128 570	135 048		6 478	105.0%	105.6%				148 808
Corporate services	3 740	(559)	3 181	5 201		2 020	163.5%	139.1%				6 925
Community and public safety	52 665	56 008	108 673	93 179		(15 494)	85.7%	176.9%				100 024
Community and social services	8 728	890	9 617	8 303		(1 315)	86.3%	95.1%				10 310
Sport and recreation	2 194	(25)	2 169	(2 443)		(4 612)	-112.7%	-111.4%				(1 463)
Public safety	12 256	36 963	49 219	25 400		(23 819)	51.6%	207.2%				48 689
Housing	29 498	18 181	47 668	61 920		14 252	129.9%	210.0%				42 202
Health	-	-	-	-		-	-	-				286
Economic and environmental services	37 087	3 102	40 189	37 503		(2 686)	93.3%	101.1%				27 342
Planning and development	1 552	89	1 641	1 624		(17)	99.0%	104.6%				1 062
Road transport	33 569	2 394	35 963	33 978		(1 985)	94.5%	101.2%				24 418
Environmental protection	1 966	619	2 585	1 901		(684)	73.5%	96.7%				1 863
Trading services	533 744	9 992	543 736	550 211		6 475	101.2%	103.1%				522 922
Electricity	327 273	5 609	332 882	328 882		(4 001)	98.8%	100.5%				307 721
Water	86 205	4 581	90 787	102 198		11 412	112.6%	118.6%				102 177
Waste water management	79 605	14	79 619	76 874		(2 745)	96.6%	96.6%				73 915
Waste management	40 661	(212)	40 449	42 257		1 809	104.5%	103.9%				39 108
Other	(69)	-	(69)	(58)		11	83.5%	83.5%				(43)
Total Revenue - Standard	755 760	69 584	825 344	822 190		(3 154)	99.5%	108.8%				806 403
Expenditure - Standard												
Governance and administration	152 768	(13 716)	139 052	129 062		(9 990)	92.8%	84.5%				130 909
Executive and council	40 116	1 269	41 384	36 502		(4 882)	88.2%	91.0%				41 020
Budget and treasury office	57 852	(6 493)	51 359	42 869		(8 489)	83.5%	74.1%				42 774
Corporate services	54 801	(8 492)	46 309	49 690		3 381	107.3%	90.7%				47 115
Community and public safety	128 731	54 963	183 694	181 305		(2 389)	98.7%	140.8%				160 213
Community and social services	19 904	(614)	19 291	18 439		(851)	95.6%	92.6%				15 997
Sport and recreation	20 355	239	20 595	17 979		(2 616)	87.3%	88.3%				17 775
Public safety	50 541	30 305	80 846	56 039		(24 807)	69.3%	110.9%				74 751
Housing	37 494	25 035	62 529	88 455		25 926	141.5%	235.9%				51 290
Health	436	(2)	434	392		(42)	90.4%	88.9%				400
Economic and environmental services	57 581	(1 924)	55 657	53 662		(1 995)	96.4%	93.2%				50 740
Planning and development	9 662	(32)	9 630	8 711		(919)	90.5%	90.2%				8 804
Road transport	39 471	(1 731)	37 740	38 381		641	101.7%	97.2%				35 184
Environmental protection	8 448	(161)	8 287	6 570		(1 718)	79.3%	77.8%				6 753
Trading services	412 609	(1 302)	411 307	410 393		(914)	99.8%	99.5%				403 715
Electricity	276 685	(307)	276 378	271 063		(5 315)	98.1%	98.0%				258 533
Water	58 905	(570)	58 335	60 914		2 580	104.4%	103.4%				47 343
Waste water management	49 021	(526)	48 495	43 666		(4 829)	90.0%	89.1%				61 249
Waste management	27 998	102	28 099	34 750		6 651	123.7%	124.1%				38 590
Other	2 115	(290)	1 825	1 713		(112)	93.9%	81.0%				1 227
Total Expenditure - Standard	753 804	37 730	791 534	776 134		(15 400)	98.1%	103.0%				746 804
Surplus/(Deficit) for the year	1 956	31 854	33 810	46 056		12 246	136.2%	2354.2%				59 600

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Appendix G A3

WC025 Breede Valley - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2014/15						2013/14					
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousand												
Revenue by Vote												
Vote 1 - Council General	110	81	191	526		335	275.0%	478.6%				394
Vote 2 - Municipal Manager	570	280	850	765		(85)	90.0%	134.2%				-
Vote 3 - Strategic Support Services	(247)	782	535	386		(149)	72.1%	-156.2%				9 101
Vote 4 - Financial Services	132 276	(313)	131 963	138 290		6 327	104.8%	104.5%				151 856
Vote 5 - Community Services	65 440	55 705	121 145	109 134		(12 011)	90.1%	166.8%				99 737
Vote 6 - Technical Services	557 612	13 048	570 660	573 090		2 430	100.4%	102.8%				545 314
Example 7 - Vote7			-			-	-	-				
Example 8 - Vote8			-			-	-	-				
Example 9 - Vote9			-			-	-	-				
Example 10 - Vote10			-			-	-	-				
Example 11 - Vote11			-			-	-	-				
Example 12 - Vote12			-			-	-	-				
Example 13 - Vote13			-			-	-	-				
Example 14 - Vote14			-			-	-	-				
Example 15 - Vote15			-			-	-	-				
Total Revenue by Vote	755 760	69 584	825 344	822 190		(3 154)	99.6%	108.8%				806 403
Expenditure by Vote to be appropriated												
Vote 1 - Council General	25 743	850	26 592	23 694		(2 899)	89.1%	92.0%			-	29 138
Vote 2 - Municipal Manager	7 189	(550)	6 639	6 282		(356)	94.6%	87.4%			-	4 729
Vote 3 - Strategic Support Services	47 719	(3 737)	43 982	42 417		(1 565)	96.4%	88.9%			-	39 487
Vote 4 - Financial Services	65 707	(9 394)	56 313	48 755		(7 558)	86.6%	74.2%			-	47 676
Vote 5 - Community Services	121 222	54 021	175 243	174 837		(406)	99.8%	144.2%			-	153 603
Vote 6 - Technical Services	486 224	(3 460)	482 764	480 148		(2 616)	99.5%	98.8%			-	472 170
Example 7 - Vote7			-			-	-	-			-	
Example 8 - Vote8			-			-	-	-			-	
Example 9 - Vote9			-			-	-	-			-	
Example 10 - Vote10			-			-	-	-			-	
Example 11 - Vote11			-			-	-	-			-	
Example 12 - Vote12			-			-	-	-			-	
Example 13 - Vote13			-			-	-	-			-	
Example 14 - Vote14			-			-	-	-			-	
Example 15 - Vote15			-			-	-	-			-	
Total Expenditure by Vote	753 804	37 730	791 534	776 134	-	(15 400)	98.1%	103.0%	-		-	746 804
Surplus/(Deficit) for the year	1 956	31 854	33 810	46 056		12 246	136.2%	2354.2%				

BREED VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2015

Appendix H A4

WC025 Breede Valley - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2014/15					2013/14						
	Original Budget	Budget Adjustments (i.l.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	92 944	—	92 944	94 183		1 240	101.3%	101.3%				87 825
Property rates - penalties & collection charges	788	—	788	809		21	102.7%	102.7%				779
Service charges - electricity revenue	321 696	—	321 696	317 843		(3 854)	98.8%	98.8%				298 775
Service charges - water revenue	48 110	—	48 110	60 465		12 356	125.7%	125.7%				49 363
Service charges - sanitation revenue	51 980	—	51 980	50 973		(1 007)	98.1%	98.1%				49 628
Service charges - refuse revenue	29 755	—	29 755	31 366		1 610	105.4%	105.4%				29 161
Service charges - other	(22 857)	(3)	(22 860)	(25 425)		(2 565)	111.2%	111.2%				(23 157)
Rental of facilities and equipment	13 116	400	13 516	13 167		(349)	97.4%	100.4%				11 540
Interest earned - external investments	7 200	—	7 200	10 592		3 392	147.1%	147.1%				9 428
Interest earned - outstanding debtors	2 522	—	2 522	2 987		465	118.4%	118.4%				2 737
Dividends received	—	—	—	—		—	—	—				—
Fines	16 313	36 329	52 642	28 376		(24 266)	53.9%	173.9%				45 226
Licences and permits	3 452	—	3 452	2 846		(606)	82.4%	82.4%				2 760
Agency services	5 300	—	5 300	5 907		607	111.4%	111.4%				5 225
Transfers recognised - operational	127 076	21 602	148 677	160 117		11 439	107.7%	126.0%				117 722
Other revenue	7 500	1 369	8 869	8 729		(140)	98.4%	116.4%				28 137
Gains on disposal of PPE	490	—	490	908		419	185.5%	185.5%				1 269
Total Revenue (excluding capital transfers and contributions)	705 383	59 697	765 080	763 841		(1 239)	99.8%	108.3%				715 418
Expenditure By Type												
Employee related costs	234 581	(14 933)	219 647	207 949		(11 698)	94.7%	88.6%				198 628
Remuneration of councillors	14 522	15	14 537	14 511		(25)	99.8%	99.9%				13 693
Debt impairment	16 013	32 000	26 650	48 013		(21 363)	55.5%	166.4%				50 815
Depreciation & asset impairment	69 304	—	69 304	75 909		6 605	109.5%	109.5%				68 599
Finance charges	25 867	—	25 867	25 946		79	100.3%	100.3%				28 638
Bulk purchases	226 802	—	226 802	223 818		(2 984)	98.7%	98.7%				207 241
Other materials	60 498	882	61 380	61 511		131	100.2%	101.7%				47 051
Contracted services	7 167	511	7 678	8 317		639	108.3%	116.0%				7 666
Transfers and grants	200	—	200	195		(5)	97.3%	97.3%				132
Other expenditure	98 561	19 256	117 817	130 004		12 188	110.3%	131.9%				122 978
Loss on disposal of PPE	288	—	288	1 323		1 035	459.9%	459.9%				1 364
Total Expenditure	753 804	37 730	791 534	776 134	—	(15 400)	98.1%	103.0%	—	—	—	745 804
Surplus/(Deficit)	(48 420)	21 967	(26 453)	(12 293)		14 161	46.5%	25.4%				(30 386)
Transfers recognised - capital	50 377	9 887	60 263	58 147		(2 116)	96.5%	115.4%				76 127
Contributions recognised - capital	—	—	—	202		202	#DIV/0!	#DIV/0!				13 859
Contributed assets	—	—	—	—		—	—	—				—
Surplus/(Deficit) after capital transfers & contributions	1 956	31 854	33 810	46 056		12 246	136.2%	2354.2%				59 600
Taxation	—	—	—	—		—	—	—				—
Surplus/(Deficit) after taxation	1 956	31 854	33 810	46 056		12 246	136.2%	2354.2%				59 600
Attributable to minorities	—	—	—	—		—	—	—				—
Surplus/(Deficit) attributable to municipality	1 956	31 854	33 810	46 056		12 246	136.2%	2354.2%				59 600
Share of surplus/ (deficit) of associate	—	—	—	—		—	—	—				—
Surplus/(Deficit) for the year	1 956	31 854	33 810	46 056		12 246	136.2%	2354.2%				59 600

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Appendix I A5

WC025 Breede Valley - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2014/15						2013/14					
	Original Budget	Total Budget Adjustments (i.i.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Example 1 - Vote1			-			-	-	-			-	
Example 2 - Vote2			-			-	-	-			-	
Example 3 - Vote3			-			-	-	-			-	
Example 4 - Vote4			-			-	-	-			-	
Example 5 - Vote5			-			-	-	-			-	
Example 6 - Vote6			-			-	-	-			-	
Example 7 - Vote7			-			-	-	-			-	
Example 8 - Vote8			-			-	-	-			-	
Example 9 - Vote9			-			-	-	-			-	
Example 10 - Vote10			-			-	-	-			-	
Example 11 - Vote11			-			-	-	-			-	
Example 12 - Vote12			-			-	-	-			-	
Example 13 - Vote13			-			-	-	-			-	
Example 14 - Vote14			-			-	-	-			-	
Example 15 - Vote15			-			-	-	-			-	
Capital multi-year expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure												
Vote 1 - Council General	-	15	15	121		106	807%	#DIV/0!				-
Vote 2 - Municipal Manager	-	213	213	124		(89)	58%	#DIV/0!				93
Vote 3 - Strategic Support Services	800	697	1 497	1 468		(30)	98%	183%				9 873
Vote 4 - Financial Services	787	382	1 169	719		(450)	61%	91%				901
Vote 5 - Community Services	5 540	190	5 731	3 576		(2 155)	62%	65%				3 406
Vote 6 - Technical Services	74 879	14 142	89 021	69 889		(19 132)	79%	93%				113 552
Example 7 - Vote7			-			-	-	-				
Example 8 - Vote8			-			-	-	-				
Example 9 - Vote9			-			-	-	-				
Example 10 - Vote10			-			-	-	-				
Example 11 - Vote11			-			-	-	-				
Example 12 - Vote12			-			-	-	-				
Example 13 - Vote13			-			-	-	-				
Example 14 - Vote14			-			-	-	-				
Example 15 - Vote15			-			-	-	-				
Capital single-year expenditure	82 006	15 640	97 646	75 886	-	(21 750)	78%	93%	-			127 825
Total Capital Expenditure - Vote	82 006	15 640	97 646	75 886	-	(21 750)	78%	93%	-			127 825

Appendix I A5
WC025 Breede Valley – Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2014/15						2013/14					
	Original Budget	Total Budget Adjustments (i.i.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Standard												
Governance and administration												
Executive and council	3 818	2 613	6 431	7 267	-	835	113%	190%	-	-	-	9 347
Budget and treasury office	186	210	396	457		61	115%	245%				93
Corporate services	719	52	771	396		(375)	51%	55%				901
	2 913	2 351	5 264	6 414		1 150	122%	220%				8 353
Community and public safety	7 970	287	8 257	54 404	-	46 147	659%	683%	-	-	-	20 890
Community and social services	4 812	178	4 990	3 304		(1 686)	66%	69%				10 136
Sport and recreation	2 822	75	2 897	2 348		(550)	81%	83%				1 550
Public safety	336	34	370	48 752		48 383	13180%	14510%				9 203
Housing	-	-	-	-		-	-	-				-
Health	-	-	-	-		-	-	-				-
Economic and environmental services	25 163	(5)	25 158	24 376	-	(782)	97%	97%	-	-	-	17 341
Planning and development	-	-	-	-		-	-	-				-
Road transport	25 163	(5)	25 158	24 376		(782)	97%	97%				17 198
Environmental protection	-	-	-	-		-	-	-				143
Trading services	45 055	12 745	57 800	38 211	-	(19 589)	66%	85%	-	-	-	80 238
Electricity	4 780	6 525	11 305	10 977		(329)	97%	230%				8 641
Water	29 473	3 818	33 291	16 769		(16 522)	50%	57%				57 655
Waste water management	9 152	2 034	11 186	8 413		(2 774)	75%	92%				13 430
Waste management	1 650	368	2 018	2 053		35	102%	124%				513
Other		-	-	-		-	-	-				9
Total Capital Expenditure - Standard	82 006	15 640	97 646	124 258	-	26 612	127%	152%	-	-	-	127 825
Funded by:												
National Government	46 544	6 016	52 560	52 518		(43)	100%	113%				67 096
Provincial Government	6 946	757	7 703	5 629		(2 074)	73%	81%				9 031
District Municipality	-	-	-	-		-	-	-				-
Other transfers and grants	-	-	-	(0)		(0)	#DIV/0!	#DIV/0!				0
Transfers recognised - capital	53 490	6 774	60 263	58 147		(2 116)	96%	109%				76 127
Public contributions & donations	-	-	-	202		202	#DIV/0!	#DIV/0!				13 859
Borrowing	12 316	6 683	18 999	2 221		(16 777)	12%	18%				24 422
Internally generated funds	16 200	2 183	18 384	15 326		(3 058)	83%	95%				13 417
Total Capital Funding	82 006	15 640	97 646	75 896		(21 750)	76%	93%				127 825

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2015

Appendix J Budget Cash Flow

WC025 Breede Valley - Reconciliation of Table A7 Budgeted Cash Flows

Description	2014/15							2013/14
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	561 974	561 740	1 123 714	545 833	(577 880)	48.6%	97.1%	513 852
Government - operating	113 276	130 501	243 776	138 537	(105 240)	56.8%	122.3%	148 401
Government - capital	50 377	54 283	104 659	55 447	(49 212)	53.0%	110.1%	74 603
Interest	9 722	9 722	19 444	13 740	(5 703)	70.7%	141.3%	11 877
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(642 419)	(648 149)	(1 290 568)	(663 793)	626 775	51.4%	103.3%	(567 786)
Finance charges	(26 586)	(26 586)	(53 173)	(25 305)	27 868	47.6%	95.2%	(27 973)
Transfers and Grants	(200)	(200)	(400)	(195)	205	48.7%	97.3%	(132)
NET CASH FROM/(USED) OPERATING ACTIVITIES	66 143	81 309	147 452	64 265	(83 188)	43.6%	97.2%	152 842
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	1 019	1 019	#DIV/0!	#DIV/0!	1 353
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	400	300	700	6 263	5 563	894.8%	1565.9%	1 480
Decrease (increase) in non-current investments	-	-	-	55 000	55 000	#DIV/0!	#DIV/0!	(55 000)
Payments								
Capital assets	(82 006)	(97 646)	(179 652)	(75 694)	103 958	42.1%	92.3%	(112 200)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(81 606)	(97 346)	(178 952)	(13 412)	165 540	7.5%	16.4%	(164 367)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	250	250	500	373	(127)	74.5%	149.0%	214
Payments								
Repayment of borrowing	(26 468)	(26 468)	(52 936)	(26 468)	26 468	50.0%	100.0%	(28 504)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(26 218)	(26 218)	(52 436)	(26 096)	26 341	49.8%	99.5%	(28 290)
NET INCREASE/ (DECREASE) IN CASH HELD	(41 681)	(42 255)	(83 936)	24 757				(39 815)
Cash/cash equivalents at the year begin:	111 946	167 174	82 174	82 174				121 989
Cash/cash equivalents at the year end:	70 265	124 919	(1 763)	106 931	108 693	-6066.9%	152.2%	82 174

BREEDE VALLEY MUNICIPALITY				
Annual Financial Statements for the year ended 30 June 2015				
DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015				
Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
JULY 2014				
1120346	136 674.87	Showtex Events textiles South Africa (Pty) Ltd	Sole Supplier	
1120771	21 198.30	Idexx Laboratories (Pty) Ltd	Sole Supplier	
1120772	3 665.10	Drager SA (Pty) Ltd	Sole Supplier	
1120712	3 373.37	Worcester Nissan	Sole Service Provider	
1120638	37 506.00	Auto Repair Import (Pty) Ltd	Sole Supplier	
1121377	9 969.96	Anatech Instruments (Pty) Ltd	Sole Supplier	
1120653	27 417.00	Showtex Events textiles South Africa (Pty) Ltd	Sole Supplier	
1120502	212 100.00	Ambutek	Sole Service Provider	
1120784	2 131.00	Orbit Motors Boland	Sole Supplier	
1120617	11 792.47	AAD Truck and Bus - Worcester	Sole Supplier	
1120347	29 835.23	Safari Flooring	Sole Supplier	
1120631	11 710.02	High Pressure Systems	Sole Supplier	
1120632	59 998.20	Breerivier Kommunikasie	Sole Supplier	
1120981	9 565.74	Maxal Projects SA PTY LTD	Sole Supplier	
[14]	576 937.26			
1120358	5 306.06	LOGO Clothing	Special Art	
[1]				
1120376	5 040.00	ACD Enterprise	Services urgently required	
1120533	12 100.00	Brandwacht Bespoering	Goods urgently required	
1120789	10 356.90	CW Towing	Services urgently required	
[3]	27 496.90			
1120362	6 000.00	De Kock Lloyd Property Valuers	Impractical to follow the procurement process	
1120627	22 822.20	Riel Hugo Associates	Exceptional case where it is impractical to follow the procurement process	Specialist in the field
1120802	2 217.30	Vision Elevators	Exceptional case where it is impractical to follow the procurement process	Vision Elevators are the ones that installed the lifts in the main bling
1120629	63 711.75	De Vries, De Wet & Kroukam	Exceptional case where it is impractical to follow the procurement process	legal services
chq 197659	8 550.00	Rhode Valuations - Wellington	Exceptional case where it is impractical to follow the procurement process	
1120415	79 200.00	Wilna Roux Attorneys	Exceptional case where it is impractical to follow the procurement process	legal services
1120749	521 249.52	Global Force Security Services	Exceptional case where it is impractical to follow the procurement process	Month to month security services while awaiting the outcomes of the feasibility study
1120750	44 339.34	AC Security	Exceptional case where it is impractical to follow the procurement process	Month to month security services while awaiting the outcomes of the feasibility study
1120602	10 000.00	TS Bushwana Taxis	Exceptional case where it is impractical to follow the procurement process	
1120934	12 854.10	Capital security	Exceptional case where it is impractical to follow the procurement process	Month to month security services while awaiting the outcomes of the feasibility study
1120931	49 985.81	Global Force Security Services	Exceptional case where It is impractical to follow the procurement process	Month to month security services while awaiting the outcomes of the feasibility study
1120942	24 351.16	Rentokil Initial PTY LTD	Exceptional case where it is impractical to follow the procurement process	month to month services while awaiting new Bid
1120499	14 414.74	Kaap Agri	Exceptional case where it is impractical to follow the procurement process	Insurance Claim.
[13]	859 695.92			
1120728	2 490.00	Leaders Meubeleerders	Exceptional case where it is impractical to follow the procurement process	Insurance Claim.
1120982	4 363.17	Dentzone	Exceptional case where it is impractical to follow the procurement process	Insurance Claim.
[2]	6 853.17			
TOTAL	1 476 289.31			
[33]				

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
AUGUST 2014				
1120041	2 817.73	Frank Vos Motors	Sole Supplier	
1121101	5 130.00	Hydralift	Sole Supplier	
1121359	12 654.00	Drager SA	Sole Supplier	
1121501	2 131.80	AAD Truck and Bus - Worc	Sole Service Provider	
1121498	3 189.72	Jaffee's Ford	Sole Service Provider	
1121375	3 123.60	Breerivier Kommunikasie	Sole Service Provider	
1121377	9 969.96	Anatech instruments	Sole Supplier	
1121335	160 441.27	Fire Raiders Cape	Sole Supplier	
1121341	5 871.02	Windeed systes	Sole Supplier	
1121478	34 348.81	Fire Raiders PTY LTD	Sole Supplier	
1121538	36 857.34	Macsteel	Sole Supplier	
1121444	43 987.51	Knowledge Base Sales PTY LTD	Sole Supplier	
1121557	6 800.00	Emunah Creations	Sole Supplier	
[13]	327 322.76			
1121045	65 705.97	Orchard Suppliers	Urgent Repairs/ Strip & Quote	CW 13125 Repair and service
1121042	42 750.00	Worcester Enjinsentrum	Urgent Repairs/ Strip & Quote	CW 60591
[2]	108 455.97			
1121552	8 800.00	ODS Consultant	Exceptional case where it is impractical to follow the procurement process	Short Notice for team building purposes
1121553	6 450.00	Bonamazi Adventure	Exceptional case where it is impractical to follow the procurement process	Suitable venue for team building
1121632	10 533.60	Just Trees (Pty) Ltd	Exceptional case where it is impractical to follow the procurement process	
1121485	21 774.00	Wilna Roux Attorneys	Exceptional case where it is impractical to follow the procurement process	Legal services
1120931	49 985.81	Global Force Security Services	Exceptional case where it is impractical to follow the procurement process	Month to month security services while awaiting the outcomes of the feasibility study
1120934	11 754.10	Capital Security	Exceptional case where it is impractical to follow the procurement process	Extension of works on existing infrastructure, which was installed by Capital Security.
1120935	27 012.77	Beirrowplas Recycling	Exceptional case where it is impractical to follow the procurement process	Extension of previous tender
1121067	12 680.00	Human Capital Life coaching & Consulting	Exceptional case where it is impractical to follow the procurement process	Professional services
1121095	10 753.80	Capital Security	Exceptional case where it is impractical to follow the procurement process	Current service provider of alarm system
1121093	4 050.00	Capital Security	Exceptional case where it is impractical to follow the procurement process	Current service provider of alarm system
1121179	5 580.00	Parliament Hotel	Exceptional case where it is impractical to follow the procurement process	Accommodation which was convenient for the attendees
1121233	55 575.00	BP Atlantic	Exceptional case where it is impractical to follow the procurement process	Month to month security services while awaiting the outcomes of the feasibility study
1121293	13 660.00	Human Capital Life coaching & Consulting	Exceptional case where it is impractical to follow the procurement process	Professional services
[13]	238 609.08			
1121278	4 500.00	Winterbach Broers	Services urgently required	
1121340	5 625.00	AMZ Supplies	Services urgently required	
1122468	8 382.42	Mobilele Pomp Dienste	Emergency	
1121532	3 000.00	Ntombi Hit Squad	Services urgently required	
1121553	6 450.00	Bonamazi Adventures	Services urgently required	
1121356	2 450.00	Kleinplasie Restaurant	Services urgently required	
[7]	30 407.42			
1121116	10 500.00	Distinctive choice 1136	Impractical to follow the procurement process	Insurance
[1]				
TOTAL	715 295.23			
[36]				

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015				
Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
SEPTEMBER 2014				
1121944	9 476.82	CQS GRC Solutions (Pty) Ltd	Sole Supplier	
235928	47 461.62	TGS Gear Services	Sole Supplier	
1122439	227 373.40	IMQS Software	Sole Supplier	
1122446	18 616.20	SSE Cape	Sole Supplier	
1121641	20 679.60	Extreme Engineering	Sole service provider	
1122447	31 755.53	Patch Industrial Supplies and Cons (Pty) Ltd	Sole Supplier	
1122270	23 164.80	Fulcrum Technologies	Sole Supplier	
1122437	5 272.50	Actebis 268cc	Sole Supplier	
1121810	26 498.39	Audensberg Toyota	Sole service provider	
1122449	48 766.92	HSM Amanzi Pump and Sewerage Engineers	Sole Supplier	
1122136	53 834.48	Audensberg Toyota	Sole service provider	
1122137	81 272.74	Audensberg Toyota	Sole service provider	
1122156	34 479.30	HSM Amanzi Pump and Sewerage Engineers	Sole service provider	
1122161	4 033.64	Windeed Systems	Sole service provider	
[14]	632 685.94			
1121774	32 177.64	Worcester Enjincentrum	Urgent Repairs/ Strip & Quote	Recondition engine CW 40090
1122441	31 607.97	TFM Transtech	Urgent Repairs/ Strip & Quote	repairs to cw17467
1122616	41 826.05	Audensberg Toyota	Urgent Repairs/ Strip & Quote	repairs to cw12666
[3]	105 611.66		Urgent Repairs/ Strip & Quote	
1122369	130 285.58	Afrifell cc	goods urgently required	
1122148	18 681.75	Bitline SA 367	Services urgently required	
1121867	2 205.90	Kaap Agri	goods urgently required	
1122060	2 700.43	Logo Clothing	goods urgently required	
1121467	14 611.38	Maxal Projects SA (Pty) Ltd	Services urgently required	
1122440	8 310.60	Winterbach Broers	goods urgently required	
1122154	33 177.88	Maxal Projects SA (Pty) Ltd	Services urgently required	
1122150	38 475.00	Fiab Mechanical Installations	Services urgently required	
1122606	3 200.00	ZN Paliso Taxis	Services urgently required	
1122124	14 506.50	Strydom Amarture Winders	Services urgently required	
1122128	4 325.16	Adenco Construction (Pty) Ltd	Services urgently required	
1121767	4 560.00	Worcester Concrete Works	Services urgently required	Emergency- need of channels
1122297	14 000.00	Saadia Neethling Caterers	Services urgently required	
1122450	35 721.90	Kaltron	Services urgently required	
1122454	2 542.20	Winterbach Broers	Services urgently required	
1122455	2 280.00	Winterbach Broers	Services urgently required	
1122456	2 280.00	Winterbach Broers	Services urgently required	
236535	10 944.00	Strand Tool and toilet hire	Services urgently required	Emergency
[20]	342 808.28			
1122127	49 985.81	Global Force Security Services	Exceptional case where it is impractical to follow the procurement process	Month to month extension of security services while awaiting the outcomes of the feasibility study
1121716	44 339.34	AC Security	Exceptional case where it is impractical to follow the procurement process	Month to month agreement for security
1121715	557 487.28	Global Force Security Services	Exceptional case where it is impractical to follow the procurement process	Month to month agreement for security
1121845	4 504.00	Klein Plasie restaurant	Exceptional case where it is impractical to follow the procurement process	Venues with catering for Belgians on short notice
1121848	8 350.00	The Kokerboom restaurant	Exceptional case where it is impractical to follow the procurement process	Venues with catering for Belgians on short notice
1121847	2 449.00	Institute for the Blind	Exceptional case where it is impractical to follow the procurement process	Venues with catering for Belgians on short notice
1121851	3 500.00	Kipo Passenger Service	Exceptional case where it is impractical to follow the procurement process	
1121973	11 250.00	Olivier Kontrakteur	Exceptional case where it is impractical to follow the procurement process	Additional construction work as part of a current job
1121989	270 979.14	Witels Grondverskuiwing cc	Exceptional case where it is impractical to follow the procurement process	Extention of bid BV 154 until the feasibility study has been concluded
1122245	20 000.00	Conradie Inc	Exceptional case where it is impractical to follow the procurement process	Legal services
1122302	36 826.00	Conradie Inc	Exceptional case where it is impractical to follow the procurement process	Legal services
1121713	82 095.00	BP Atlantic	Exceptional case where it is impractical to follow the procurement process	

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1121714	44 205.00	BP Atlantic	Exceptional case where it is impractical to follow the procurement process	
1121764	37 886.10	BP Atlantic	Exceptional case where it is impractical to follow the procurement process	
1121930	289 104.00	BP Atlantic	Exceptional case where it is impractical to follow the procurement process	
1121933	356 022.00	BP Atlantic	Exceptional case where it is impractical to follow the procurement process	
1122429	23 940.00	DDP Valuers (Pty) Ltd	Exceptional case where it is impractical to follow the procurement process	
1121717	5 568.00	Beirwplas Recycling	Exceptional case where it is impractical to follow the procurement process	Month to month extension of cleaning services until the feasibility study has been completed
1122461	24 351.16	Rentokil Initial (Pty) Ltd	Exceptional case where it is impractical to follow the procurement process	Month-to-month extension of the contract while awaiting the outcomes of the feasibility study
236817	21 980.00	Distinctive Choice 1136	Exceptional case where it is impractical to follow the procurement process	Insurance
1122469	23 250.00	Bonamanzi	Exceptional case where it is impractical to follow the procurement process	Teambuilding
237019	13 993.86	Cluver Markotter inc	Exceptional case where it is impractical to follow the procurement process	Legal services
236503	52 484.76	De Vries De Wet & Krouwkam	Exceptional case where it is impractical to follow the procurement process	Legal services
1122159	2 565.00	De Vries De Wet & Krouwkam	Exceptional case where it is impractical to follow the procurement process	Legal services
1122162	27 014.60	Beirwplas Recycling	Exceptional case where it is impractical to follow the procurement process	Month to month extension of cleaning services until the feasibility study has been completed
1122245	20 000.00	Conradie Inc	Exceptional case where it is impractical to follow the procurement process	Legal services
1122658	24 351.16	Rentokil Initial (Pty) Ltd	Exceptional case where it is impractical to follow the procurement process	Month to month extension of hygiene services
1122659	42 436.55	AC Security	Exceptional case where it is impractical to follow the procurement process	Month to month extension of security services while awaiting the outcomes of the feasibility study
1122660	557 610.98	Global Force Security Services	Exceptional case where it is impractical to follow the procurement process	Month to month extension of security services while awaiting the outcomes of the feasibility study
[31]	2 658 528.74			
TOTAL	3 739 634.62			
[68]				
OCTOBER 2014				
1123069	75 211.84	Breerivier Kommunikasie	Sole Supplier	
1123126	46 683.00	HSM Amanzi Pump and sewerage engineers cc	Sole Supplier	
1123125	102 258.00	HSM Amanzi Pump and sewerage engineers cc	Sole Supplier	
1123124	73 074.00	HSM Amanzi Pump and sewerage engineers cc	Sole Supplier	
1123121	67 179.06	TGS Gear Services	Sole Supplier	
1123120	36 972.48	TGS Gear Services	Sole Supplier	
1122825	7 980.00	Meycom	Sole supplier	
1123118	33 801.47	Audensberg Toyota	Sole Supplier + strip and quote	
1123116	26 156.16	Balamanzi	Sole Supplier	
1123115	15 898.44	Elster Kent Metering	Sole Supplier	
1123246	7 327.30	Juta and company	Sole Supplier	
1123404	17 134.20	Bytes System Integration	Sole Supplier	
1123730	44 401.86	Industrial Screening	Sole Supplier	
1123737	363.40	Winsearch	Sole Supplier	
1123738	7 232.92	Windeed Systems	Sole Supplier	
[16]	561 674.13			
1123114	56 026.75	TFM Transtech	Urgent Repairs/ Strip & Quote	
[1]				
1122716	3 000.00	Vusani's Transport	Services urgently required	Emergency
1123117	5 214.36	Breerivier Kommunikasie	Services urgently required	Emergency
1123150	22 682.67	AH Marais	Services urgently required	Emergency

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015				
Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1123213	150 822.00	Lazar Civil Engineering	Services urgently required	Emergency
1123452	3 799.85	WM Spilhaus Hexvallei BK	Services urgently required	Pipe burst
1123549	3 750.60	Breerivier Kommunikasie	Services urgently required	Emergency
[8]	189 269.48			
1123250	4 352.00	AC Security	Exceptional case where it is impractical to follow the procurement process	
1123490	593 146.32	Itron Metering Solutions (Pty) Ltd	Exceptional case where it is impractical to follow the procurement process	month-to-month extension of BV26 until BV333 has been approved
1123491	594 147.31	Itron Metering Solutions (Pty) Ltd	Exceptional case where it is impractical to follow the procurement process	month-to-month extension of BV26 until BV333 has been approved
1122872	2 560.00	Human Capital Life Coaching & Consulting	Exceptional case where it is impractical to follow the procurement process	Continuation of the existing project-Job Evaluations and writing of job descriptions
1123554	31 114.29	BP Atlantic	Exceptional case where it is impractical to follow the procurement process	month-to-month extension of security services while awaiting the outcomes of the feasibility study
1123000	288 315.00	BP Atlantic	Exceptional case where it is impractical to follow the procurement process	month-to-month extension of security services while awaiting the outcomes of the feasibility study
11230001	244 898.00	BP Atlantic	Exceptional case where it is impractical to follow the procurement process	month-to-month extension of security services while awaiting the outcomes of the feasibility study
1122871	6 960.00	Beirrowplas Recycling cc	Exceptional case where it is impractical to follow the procurement process	Extention of project
1123740	6 347.52	Beirrowplas Recycling cc	Exceptional case where it is impractical to follow the procurement process	
1122887	5 568.00	Beirrowplas Recycling cc	Exceptional case where it is impractical to follow the procurement process	Extention of project
1122912	6 840.00	Rhode Valuations Wellington	Exceptional case where it is impractical to follow the procurement process	valuation of portion of erven
1122940	3 565.00	Elton Shortles Prokureurs	Exceptional case where it is impractical to follow the procurement process	legal services
1123493	7 250.00	Breedevalley Association for persons with disabilities	Exceptional case where it is impractical to follow the procurement process	only available venue
1123142	179 116.22	Cape Office Machines	Exceptional case where it is impractical to follow the procurement process	extention of tender-BV111
1123639	13 656.06	Masjienburo	Exceptional case where it is impractical to follow the procurement process	Insurance
1123248	3 016.71	Cluver Markotter inc	Exceptional case where it is impractical to follow the procurement process	Legal Services
1123249	43 463.69	De Vries De Wet & Krouwkam	Exceptional case where it is impractical to follow the procurement process	legal services
1123385	143 513.19	Datategra	Exceptional case where it is impractical to follow the procurement process	extention of service
1123451	4 500.00	Terence Harker Argitektuur	Exceptional case where it is impractical to follow the procurement process	design drawings are confidential and should not be distributed
1123586	59 466.17	Global Force Security Services	Exceptional case where it is impractical to follow the procurement process	month-to-month extension of security services while awaiting the outcomes of the feasibility study
1123536	17 898.00	East Cape Publishing cc	Exceptional case where it is impractical to follow the procurement process	advert
1123597	6 600.00	H Terblanche	Exceptional case where it is impractical to follow the procurement process	only supplier that provides this kind of service
1123676	5 500.00	JJ Beyers & Vennote	Exceptional case where it is impractical to follow the procurement process	legal services
[25]	2 271 793.48			

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1123651	4 819.21	Penny Pinchers	Repairs or replacements of PPE as part of insurance claims	insurance
1123652	16 500.00	Distinctive choice	Repairs or replacements of PPE as part of insurance claims	insurance
1123653	8 950.00	Distinctive choice	Repairs or replacements of PPE as part of insurance claims	insurance
1123654	7 950.00	Distinctive choice	Repairs or replacements of PPE as part of insurance claims	insurance
1123655	3 414.30	Masjienburo	Repairs or replacements of PPE as part of insurance claims	insurance
1123656	15 846.00	Meyer Electrical Construction	Repairs or replacements of PPE as part of insurance claims	insurance
1123658	622.32	Kaap Agri	Repairs or replacements of PPE as part of insurance claims	insurance
1123657	7 568.46	Maxal Projects (SA) PTY LTD	Repairs or replacements of PPE as part of insurance claims	insurance
1123659	2 490.00	Leaders Meubelleerders Boland cc	Repairs or replacements of PPE as part of insurance claims	insurance
1123660	11 890.00	Distinctive choice	Repairs or replacements of PPE as part of insurance claims	insurance
1123662	591.43	Waltons	Repairs or replacements of PPE as part of insurance claims	insurance
[11]	80 641.72			
TOTAL	3 159 405.56			
[61]				

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015				
Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
NOVEMBER 2014				
1123767	18 670.00	NTT Volkswagen Worcester	Sole Supplier	
1123824	15 676.14	Idexx Laboratories (PTY) LTD	Sole Supplier	
1123889	23 750.00	H. Terblanche	Sole Service Provider	
1123784	36 159.66	Balamanzi	Sole Supplier	
1123938	2 365.50	AAD Truck & Bus - Worcester	Sole Supplier	
1125106	6 250.00	Fire Raiders	Sole Service Provider	
1123783	33 919.56	Elster Kent Metering	Sole Supplier	
1124143	10 000.00	Rockets Musical Entertainment Cape cc	Sole Supplier	
1124144	6 000.00	JKM Sound	Sole Supplier	
1124334	49 766.70	Fiab Mechanical Installations	Sole Supplier/ Emergency	
[11]	202 557.56			
1124317	39 893.16	Strydoms Armature Winders	Urgent Repairs/ Strip & Quote	
[1]				
1124647	3 648.00	York Engineering	Services urgently required	
1124315	5 440.20	Riel Hugo Associates	Services urgently required	Emergency
1124662	2 736.00	Winterbach Broers BK	Services urgently required	Emergency
[3]	11 824.20			
1123766	69 954.09	Muller Terblanche & Beyers	Exceptinal case where it is impractical to follow the procurement process	Legal services
1123829	2 280.00	CW Towing & Spares	Exceptinal case where it is impractical to follow the procurement process	Moving of digger
1123795	558 299.65	Global Force Security	Exceptinal case where it is impractical to follow the procurement process	Month-to-month extension of security services while awaiting the outcomes of the feasibility study
1125005	38 380.00	Wynland Skip Hire	Exceptinal case where it is impractical to follow the procurement process	month to month extension of cleaning services until the new quotation process has been finalised on 31 March 2015
1124030	16 573.32	Wilna Roux Attorneys	Exceptinal case where it is impractical to follow the procurement process	legal services
1123887	179 116.22	Cape Office Machines	Exceptinal case where it is impractical to follow the procurement process	Extention of BiD BV 111
1124611	141 730.63	Witels Grondverskuiwing	Exceptinal case where it is impractical to follow the procurement process	Extension of BV154 until 31 Dec 2015 to allow a feasibility study to be completed.
1124002	24 351.16	Rentokill Initial (PTY) LTD	Exceptinal case where it is impractical to follow the procurement process	According to service agreement
1123758	3 885.00	KFC	Exceptinal case where it is impractical to follow the procurement process	
1124453	13 732.08	Capital security	Exceptinal case where it is impractical to follow the procurement process	Extention/ upgrading of existing system
1124535	3 326.92	Capital security	Exceptinal case where it is impractical to follow the procurement process	Extention/ upgrading of existing system
1124722	44 495.57	Global Force Security	Exceptinal case where it is impractical to follow the procurement process	Month-to-month extension of security services while awaiting the outcomes of the feasibility study
1124720	6 347.52	Beirrowplas RecycliNg CC	Exceptinal case where it is impractical to follow the procurement process	Extention of contract
1124709	6 347.52	Beirrowplas RecycliNg CC	Exceptinal case where it is impractical to follow the procurement process	Extention of contract
[15]	1 108 819.68			
1124469	7 894.50	Masjienburo	Repairs or replacements of PPE as part of insurance claims	
1124468	6 542.80	Non Pareil	Repairs or replacements of PPE as part of insurance claims	
1124467	6 148.02	Non Pareil	Repairs or replacements of PPE as part of insurance claims	
1124466	8 778.00	Masjienburo	Repairs or replacements of PPE as part of insurance claims	

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1124464	2 219.12	Kaap Agri	Repairs or replacements of PPE as part of Insurance claims	
1124463	3 863.46	Masjienburo	Repairs or replacements of PPE as part of insurance claims	
1124462	9 006.00	Meyer Electrical Construction	Repairs or replacements of PPE as part of insurance claims	
1124461	32 752.20	Strydom's Armature winders	Repairs or replacements of PPE as part of insurance claims	
[8]	77 204.10			
TOTAL	1 440 298.70			
[48]				
DECEMBER 2014				
240100	4 806.70	Fire Raiders PTY LTD	Emergency	
240325	43 726.25	Worcester Build it	Emergency	
[4]	48 532.95			
239907	3 707.67	Windeed Systems	Sole Supplier	
239869	6 612.00	Landcruiser Specialist	Sole Supplier	
239957	2 888.54	Autacs	Sole Supplier	
239946	4 446.00	Autacs	Sole Supplier	
238833	6 463.80	Automated Fleet Solutions (PTY) LTD	Sole Supplier	
239495	6 250.00	Fire Raiders Cape (PTY) LTD	Sole Supplier	
1125260	9 302.00	Bentley Systems South Africa (Pty) Ltd	Sole Supplier	
1125261	5 505.96	PJ Technologies	Sole Supplier	
1125262	112 479.73	Pragma Products (Pty) Ltd	Sole Supplier	
1125263	245 759.21	Pragma Products (Pty) Ltd	Sole Supplier	
239206	35 843.62	Worcester BMW	Sole Supplier	
[12]	439 258.53			
238799	42 557.41	HD Transmissions (PTY) LTD	Urgent Repairs/ Strip & Quote	
1125044	51 649.98	Fiab Mechanical Installations	Urgent Repairs/ Strip & Quote	
239675	30 567.85	TFM Transtech	Urgent Repairs/ Strip & Quote	
238537	86 666.53	Audensberg Toyota	Urgent Repairs/ Strip & Quote	
[4]	211 441.77			
1125113	5 353.00	KFC	Exceptinal case where it is Impractical to follow the procurement process	
1125265	5 054.60	KFC	Exceptinal case where it is Impractical to follow the procurement process	
1124722	44 495.57	Global Force Security Services	Exceptinal case where it is Impractical to follow the procurement process	month-to-month extension of security services while awaiting the outcomes of the feasibility study
1125289	45 978.75	Global Force Security Services	Exceptinal case where it is Impractical to follow the procurement process	month-to-month extension of security services while awaiting the outcomes of the feasibility study
239958	558 299.65	Global Force Security Services	Exceptinal case where it is Impractical to follow the procurement process	month-to-month extension of security services while awaiting the outcomes of the feasibility study
1125384	44 339.30	AC Security	Exceptinal case where it is Impractical to follow the procurement process	month-to-month extension of contract while awaiting the outcomes of the feasibility study.

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015				
Order nr.	Amount	Service Provider	Reason	Additional information (where necessary)
1125382	50 161.25	BP Atlantic	Exceptinal case where it is impractical to follow the procurement process	month-to-month extension of contract while awaiting the outcomes of the feasibility study.
1125381	24 894.00	BP Atlantic	Exceptinal case where it is impractical to follow the procurement process	month-to-month extension of contract while awaiting the outcomes of the feasibility study.
1124970	252 597.78	Witels Grondverskuiwing	Exceptinal case where it is impractical to follow the procurement process	Extension of BV154 until 31 Dec 2015 to allow a proper feasibility study
239965	46 774.50	AC Security	Exceptinal case where it is impractical to follow the procurement process	Monthly monitoring of security system
239762	34 080.00	Wynland Skip Hire	Exceptinal case where it is impractical to follow the procurement process	extention of quotation
239963	24 351.16	Rentokil Initial (PTY) LTD	Exceptinal case where it is impractical to follow the procurement process	month-to-month extension of a contract
239809	179 116.22	Cape Office Machines	Exceptinal case where it is impractical to follow the procurement process	Extended contract BV 111 until BV356 has been approved
1125401	5 500.00	JJ Beyers	Exceptinal case where it is impractical to follow the procurement process	Legal services
1125256	26 090.61	Muller Terblanche & Beyers	Exceptinal case where it is impractical to follow the procurement process	Legal services
239598	18 012.00	Masjienburo	Exceptinal case where it is impractical to follow the procurement process	
240087	5 373.00	Kentucky Fried Chicken	Exceptinal case where it is impractical to follow the procurement process	Food for late nightshopping performers
240029	4 216.86	Muller Terblanche & Beyers	Exceptinal case where it is impractical to follow the procurement process	Legal services
240031	22 563.80	Wilna Roux Attorneys	Exceptinal case where it is impractical to follow the procurement process	Legal services
240030	101 477.10	Wilna Roux Attorneys	Exceptinal case where it is impractical to follow the procurement process	Legal services
[20]	1 498 729.15			
TOTAL	2 197 962.40			
[40]				
JANUARY 2015				
240300	20 871.12	Breerivier Kommunikasie	Sole Service Provider	
1125625	36 570.00	Kentucky Fried Chicken	Sole Service Provider	
1125431	58 000.00	Bellville Lifesaving Club	Sole Service Provider	
240868	6 748.80	Civilsoft Systems	Sole Service Provider	
239744	3 200.00	Human Capital Life Coaching & Consulting	Sole Service Provider	
1125494	3 327.73	Worcester Nissan	Sole Service Provider	
1125569	3 027.84	Redfern Print Services SA	Sole Service Provider	
1125570	4 890.00	Sure Boland Tours	Sole Service Provider	
1125600	3 652.98	Sure Boland Tours	Sole Service Provider	
1125614	2 285.00	Sure Boland Tours	Sole Service Provider	
1125594	4 742.00	Sure Boland Tours	Sole Service Provider	
1125678	4 694.61	Windeed Systems	Sole Service Provider	
1125764	4 106.39	Audensberg Toyota	Sole Service Provider	
[13]	156 116.47			
237215	112 335.60	Boland Hydraulics	Urgent Repairs/ Strip & Quote	
[1]				
1125756	3 000.00	Winterbach Broers BK	Services urgently required	
241005	2 600.00	Rainbow Planthire	Services urgently required	
1125738	2 569.00	Avis Van Rental	Services urgently required	
1125891	3 000.00	Kipos Passenger Service	Services urgently required	
[4]	11 169.00			

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1125606	105 468.05	BP Atlantic	Impractical to follow the procurement process	month to month extension of tender BV 186 until the feasibility study has been completed
1125597	595 735.58	ltron Metering Solutions South Africa	Impractical to follow the procurement process	month to month extension of BV 26 until BV 333 is approved. Services relate to September 2014.
1125626	7 224.75	Worcester Minerals	Impractical to follow the procurement process	
1125528	32 718.00	Torque IT	Impractical to follow the procurement process	
1125404	558 299.65	Global Force Security Services	Impractical to follow the procurement process	month to month extension of contract until the security feasibility study has been
1125433	179 116.22	Cape Office Machines	Impractical to follow the procurement process	month to month extension of BV 111 until BV 357 is approved
240842	7 645.65	Beirrowplas Recycling	Impractical to follow the procurement process	Extension of order until end January 2015
1125405	9 391.40	Conradie Incorporated	Impractical to follow the procurement process	Appointment done in terms of the approved policy
[10]	1 495 599.30			
TOTAL	1 775 220.37			
[28]				
FEBRUARY 2015				
1126264	6 669.00	Anatech Instruments PTY LTD	Sole Service Provider	
1126284	2 886.55	Agrico PTY LTD	Sole Service Provider	
1126518	4 582.00	Driving License card account trading entity	Sole Service Provider	
1126499	5 557.50	Forms Media Independent (Africa) PTY LTD	Sole Service Provider	
1126517	36 656.00	Driving License card account trading entity	Sole Service Provider	
1126495	50 376.60	HSM Amanzi Pump and sewerage engineers cc	Sole Service Provider	
1126492	4 417.50	Forms Media Independent (Africa) PTY LTD	Sole Service Provider	
1126493	4 417.50	Forms Media Independent (Africa) PTY LTD	Sole Service Provider	
1126745	50 550.52	Global Force Security Services	Sole Service Provider	
1126822	15 276.00	National Laboratory Association - SA	Sole Service Provider	
1126936	36 252.00	Umoyo software	Sole Service Provider	
1126894	69 255.00	Swannies Vervoer	Sole Service Provider	
1126944	5 512.30	Juta	Sole Service Provider	
1126897	2 817.30	Juta	Sole Service Provider	
	295 225.77			
[16]				
1126771	41 781.00	Boland Gearbox Centre	Urgent Repairs/ Strip & Quote	
	41 781.00			
[1]				
1126236	4 817.93	On Time Transcribers cc	Emergency	
1126481	2 086.20	Winterbach Broers BK	Emergency	
1126482	222.00	Winterbach Broers BK	Emergency	
1126747	10 807.20	Witels Grondverskuiwing cc	Emergency	
1126742	6 274.38	Kaap Agri De Doorns	Emergency	
1126741	2 280.00	Winterbach Broers BK	Emergency	
1126772	10 197.30	Tony's Truk Centre	Emergency	
1126803	41 416.88	V & S Verkoeling & Lugreeling cc	Emergency	Stadsaal
	78 101.89			
[9]				

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015				
Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1126121	234 990.00	BP Atlantic	Impractical to follow the procurement process	Extention of BV 186
1127000	558 299.65	Global Force Security Services	Impractical to follow the procurement process	Month to month extensio of security services until BV401 has been completed
1126159	140 040.00	Adendorff General Trading	Impractical to follow the procurement process	Extention of Contract
1126186	6 347.52	Beirowplas Recycling CC	Impractical to follow the procurement process	Extention
1126212	59 820.00	Human Life Coaching & Consulting	Impractical to follow the procurement process	
1126229	24 351.16	Rentokil Initial (PTY) LTD	Impractical to follow the procurement process	
1126216	39 400.00	Wynland Skip Hire	Impractical to follow the procurement process	Extention
1126526	3 696.71	Windeed Systems a div of Korbitec PTY LTD	Impractical to follow the procurement process	
1126558	12 228.78	De Vries De Wet Kroukam	Impractical to follow the procurement process	Legal services
1126549	3 391.00	Boland Network and It PTY LTD	Impractical to follow the procurement process	
1126541	27 125.70	BP Atlantic	Impractical to follow the procurement process	Extention of BV 186
1126570	2 468.10	De Vries De Wet Kroukam	Impractical to follow the procurement process	Legal services
1126569	23 301.60	De Vries De Wet Kroukam	Impractical to follow the procurement process	Legal services
1126609	26 031.48	Rentokil Initial (PTY) LTD	Impractical to follow the procurement process	Healthcare services month to month
1126610	26 031.48	Rentokil Initial (PTY) LTD	Impractical to follow the procurement process	Healthcare services month to month
1126724	5 100.00	Damas Restaurant	Impractical to follow the procurement process	Suitable venue
1126748	3 401.76	Muller Terblanche & Beyers	Impractical to follow the procurement process	Legal services
1126749	59 810.00	Bytes Universal System	Impractical to follow the procurement process	Samras system
1126780	25 884.00	Conradle Incorporated	Impractical to follow the procurement process	Legal services
1126901	180 838.00	BP Atlantic	Impractical to follow the procurement process	Extention of BV 186
1126962	6 347.52	Beirowplas Recycling CC	Impractical to follow the procurement process	Extention
1126970	21 234.73	Cluver Markotter Inc	Impractical to follow the procurement process	Legal services
	1 490 139.19			
[24]				
1126826	6 711.61	Glasfit Worcester	Repairs or replacements of PPE as part as insurance claims	Insurance
	6 711.61			
[1]				
TOTAL				
[51]	1 911 959.46			
MARCH 2015				
242403	18 200.00	The institute of internal Auditors SA	Sole Service Provider	
242638	12 540.00	Knowledge Base Sales PTY LTD	Sole Service Provider	
1127301	9 361.21	Capital Security	Sole Service Provider	
1127302	2 585.52	Officetech	Sole Service Provider	
241406	9 228.30	Rotrix Africa Industries cc	Sole Service Provider	
242722	3 500.00	Boland Wendy's	Sole Service Provider	
242412	5 244.00	Second Opinion Conculing cc	Sole Service Provider	
242853	16 481.20	AC Security	Sole Service Provider	
242875	33 612.65	Orbit Motors Boland	Sole Service Provider	Agent
242741	43 582.23	Elster Kent	Sole Service Provider	

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
242733	8 538.60	Forms media Independent (Africa) PTY LTD	Sole Service Provider	
242734	4 670.38	Mindmuzik Media	Sole Service Provider	
242737	2 578.22	Mindmuzik Media	Sole Service Provider	
242731	6 817.20	Forms media Independent (Africa) PTY LTD	Sole Service Provider	
[16]	176 939.51			
242739	39 904.60	Hydrenco PTY LTD	Urgent Repairs/ Strip & Quote	
243304	31 444.12	Orbit Motors Boland	Urgent Repairs/ Strip & Quote	
[3]	71 348.72			
242333	22 264.20	Emerald Infrastructure Solutions	Emergency	
242127	2 451.00	Winterbach Broers BK	Emergency	
242436	9 654.00	CJ Nasson Maintenance	Emergency	
243200	5 950.00	Fabulous foods	Services urgently required	
[4]	40 319.20			
242316	558 299.65	Global Force Security Services	Impractical to follow the procurement process	
1127136	56 237.45	Global Force Security Services	Impractical to follow the procurement process	
242295	2 370.72	Vision Elevators	Impractical to follow the procurement process	
242297	87 026.50	AC Security	Impractical to follow the procurement process	
241524	179 116.22	Cape Office Machines	Impractical to follow the procurement process	Extention of BV 111
241395	12 100.00	JJ Beyers & Vennote	Impractical to follow the procurement process	Legal services
242329	5 820.00	Sringbok verkoeling	Impractical to follow the procurement process	
242463	2 760.21	Bargain Books	Impractical to follow the procurement process	
242462	4 685.34	Windeed	Impractical to follow the procurement process	
1127273	3 915.00	Damas Restaurant	Impractical to follow the procurement process	
242708	4 857.50	Conradie Incorporated	Impractical to follow the procurement process	
242831	5 000.00	Hein Rable sound and lighting	Impractical to follow the procurement process	
242792	216 427.50	BP Atlantic	Impractical to follow the procurement process	Extention BV 186
242791	183 212.00	BP Atlantic	Impractical to follow the procurement process	Extention BV 186
242788	216 427.50	BP Atlantic	Impractical to follow the procurement process	Extention BV 186
242952	11 240.40	X Link Communications PTY LTD	Impractical to follow the procurement process	
243140	5 700.00	De Vries De Wet & Kroukam	Impractical to follow the procurement process	Legal services
243141	5 700.00	De Vries De Wet & Kroukam	Impractical to follow the procurement process	Legal services
243139	16 478.70	Cluver Markotter inc	Impractical to follow the procurement process	
243052	79 477.00	JJ Beyers & Vennote	Impractical to follow the procurement process	Legal services
243301	25 648.89	De Vries De Wet & Kroukam	Impractical to follow the procurement process	
243421	6 347.52	Beirowplas Recycling cc	Impractical to follow the procurement process	
242880	34 197.00	Brandwacht besproeiing	Impractical to follow the procurement process	
243242	179 116.22	Cape Office Machines	Impractical to follow the procurement process	
[23]	1 902 161.32			

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015				
Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
242662	34 998.00	Meyer Electrical Constructlon	Repairs or replacements of PPE as part as insurance claims	Insurance
242644	4 950.00	Distinctive choice	Repairs or replacements of PPE as part as insurance claims	Insurance
[5]	39 948.00			
TOTAL				
[51]	2 230 716.75			
APRIL 2015				
11285256	21 709.02	Maxal Projects SA	Sole Service Provider	
244001	11 753.40	Atlas Fire Security (Pty) Ltd	Sole Service Provider	
1127771	2 578.22	Mindmuzik Media	Sole Service Provider	
1128258	8 900.00	GS & T	Sole Service Provider	
243995	15 272.72	SABS Commercial SOC LTD	Sole Service Provider	
1128142	15 114.12	Idexx Laboratories	Sole Service Provider	
[7]	75 327.48			
1128023	46 564.69	TFM Transtech	Urgent Repairs/ Strip & Quote	
1128027	32 973.36	TGS Gear Services	Urgent Repairs/ Strip & Quote	
1128220	3 679.19	WP Spillhouse Hexvallei BK	Urgent Repairs/ Strip & Quote	
243973	80 598.00	HSM Amanzi Pump and Sewerage Engineers cc	Urgent Repairs/ Strip & Quote	
243972	112 632.00	HSM Amanzi Pump and Sewerage Engineers cc		
[5]	276 447.24			
1128362	47 986.48	Breerivier Kommunikasle	Emergency	
243675	5 472.00	Winterbach Broers	Emergency	
1128542	2 086.20	Winterbach Broers	Emergency	
1128540	2 679.00	Winterbach Broers	Emergency	
[5]	58 223.68			
1127982	19 357.20	Autacs Signs	Impractical to follow the procurement process	
1128044	24 351.16	Rentokil Initial (Pty) Ltd	Impractical to follow the procurement process	
1128039	4 000.00	Die Matspesialis	Impractical to follow the procurement process	
1127981	558 299.65	Global Force security services	Impractical to follow the procurement process	
1127980	48 325.20	AC Security	Impractical to follow the procurement process	
1128075	4 588.02	Vision Elevators	Impractical to follow the procurement process	Initial installation was done by Vision Elevators
1128065	16 914.18	ODS Consultant	Impractical to follow the procurement process	
1128231	2 850.00	Human Capital Life Coaching	Impractical to follow the procurement process	
1128064	15 454.98	ODS Consultant	Impractical to follow the procurement process	
1128062	17 504.13	ODS Consultant	Impractical to follow the procurement process	
1128664	9 484.80	Muller Terblanche & Beyers	Impractical to follow the procurement process	Legal Services
1128148	3 648.00	Muller Terblanche & Beyers	Impractical to follow the procurement process	Legal Services
1128171	5 684.40	Conradie Inc	Impractical to follow the procurement process	Legal Services
1128301	58 450.00	IPES- Utility Management services (Pty) Ltd	Impractical to follow the procurement process	
1128302	17 122.80	Flotron Instrumenttation services (Pty) Ltd	Impractical to follow the procurement process	
1128303	15 560.00	Adendorff General Trading	Impractical to follow the procurement process	month to month extesnion of CBD cleaning services until BV 395 has been approved
1128343	15 560.00	Adendorff General Trading	Impractical to follow the procurement process	month to month extesnion of CBD cleaning services until BV 395 has been approved
1128360	39 444.00	De Vries & Krouwkam	Impractical to follow the procurement process	Legal Services

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1128063	30 958.98	ODS Consultant	Impractical to follow the procurement process	
1128122	31 622.40	BP Atlantic	Impractical to follow the procurement process	
1128189	16 950.00	Distinctive choice 1136	Impractical to follow the procurement process	
1128520	6 386.64	Windeed Systems a div of Korbitec (Pty) Ltd	Impractical to follow the procurement process	
1128504	65 664.00	IDI Technology Solutions	Impractical to follow the procurement process	Expansion of BV385 to give access to more users
1128461	57 600.00	CN Blanket	Impractical to follow the procurement process	extension of order 1127822
243788	115 200.00	CN Blanket	Impractical to follow the procurement process	extension of order 1127822
1128534	77 800.00	Adendorff General Trading	Impractical to follow the procurement process	month to month extension of CBD cleaning services until BV 395 has been approved
[28]	1 278 780.54			
TOTAL	1 688 778.94			
[45]				
MAY 2015				
244258	14 432.30	Juta and Co.	Sole Service Provider	
243479	2 489.76	Jafee's Ford	Sole Service Provider	
243417	3 699.14	Jafee's Ford	Sole Service Provider	
243475	4 011.98	Jafee's Ford	Sole Service Provider	
243128	3 780.15	Cutters	Sole Service Provider	
244017	15 423.94	Stevenridge	Sole Service Provider	
1129227	6 834.30	Forms Media Independent (Pty) Ltd	Sole Service Provider	
244676	6 087.60	Fulcrum Technologies	Sole Service Provider	
245340	45 600.00	Hamilton Hydraulic Services cc	Sole Service Provider	
245342	4 725.07	Cutters	Sole Service Provider	
245344	9 804.00	Cutters	Sole Service Provider	
245343	9 239.70	Cutters	Sole Service Provider	
1129610	15 114.12	Idexx Laboratories (Pty) Ltd	Sole Service Provider	
244015	3 400.00	Durabump cc	Sole Service Provider	
1129492	13 800.00	Autozone	Sole Service Provider	
1129646	13 338.00	Anatech Instruments (Pty) Ltd	Sole Service Provider	
[19]	171 780.06			
243565	41 610.00	Boland Ingeniurs	Urgent Repairs/ Strip & Quote	Repairs to CW 12025
245062	60 025.56	HSM Amanzi Pump and sewerage engineering	Urgent Repairs/ Strip & Quote	
[3]	101 635.56		Urgent Repairs/ Strip & Quote	
1129249	223 326.00	Billionnetworks (Pty) Ltd	Goods urgently required	
245062	60 025.56	HSM Amanzi Pump and Sewerage Engineers	Emergency	
245078	53 215.40	Hydrenco (Pty) Ltd	Emergency	
245484	3 500.00	Shoot a star production (YE Harmse)	Emergency	
1129493	26 482.20	De La Rosa Ingenieus	Emergency	
1129511	2 800.00	Olivier Kontrakteur	Emergency	
1129182	3 980.00	Olivier Kontrakteur	Emergency	
[7]	373 329.16			
1128740	557 610.98	Global Force Security Services	Impractical to follow the procurement process	month to month extension of security services until BV401 is approved
1128741	56 237.45	Global Force Security Services	Impractical to follow the procurement process	month to month extension of security services until BV401 is approved
1128742	56 237.45	Global Force Security Services	Impractical to follow the procurement process	month to month extension of security services until BV401 is approved
244437	44 559.75	AC Security	Impractical to follow the procurement process	
244806	5 170.00	Beulah Funerals	Impractical to follow the procurement process	
244775	24 351.16	Rentokil Initial (Pty) Ltd	Impractical to follow the procurement process	month to month extension of hygiene services

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015				
Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
244838	6 900.00	Muller terblanche and Beyers	Impractical to follow the procurement process	legal Services
245058	2 850.00	Human Capital Life Coaching	Impractical to follow the procurement process	
1129552	4 850.00	Human Capital Life Coaching	Impractical to follow the procurement process	
1129120	36 131.37	BP Atlantic	Impractical to follow the procurement process	month to month extension of contract until the feasibility study has been completed
1129121	218 978.00	BP Atlantic	Impractical to follow the procurement process	month to month extension of contract until the feasibility study has been completed
1129176	271 935.00	BP Atlantic	Impractical to follow the procurement process	month to month extension of contract until the feasibility study has been completed
245195	9 669.48	Bradley Conradie Attorneys	Impractical to follow the procurement process	
245339	3 719.56	Pep Stores	impractical to follow the procurement process	
1129599	12 640.00	Institute for Career Development	Impractical to follow the procurement process	Additional services required by the Finance Department
1129603	17 185.00	Boland Network and IT (Pty) Ltd	Impractical to follow the procurement process	Compatibility
235362	21 204.00	DDP Valuers (PTY) LTD	Impractical to follow the procurement process	
245367	218 978.00	BP Atlantic	Impractical to follow the procurement process	month to month extension of contract until the feasibility study has been completed
245534	7 372.08	Chris Fick & Associates	Impractical to follow the procurement process	legal Services
245080	15 735.00	Boland sports cc	Impractical to follow the procurement process	
245455	4 308.11	Windeed Systems a div of Korbitec PTY LTD	Impractical to follow the procurement process	
1129490	2 556.00	De Jagers	Impractical to follow the procurement process	
1129513	49 228.54	Adendorff General Trading	impractical to follow the procurement process	month to month extension of the cleaning services until BV395 is approved
1129027	5 925.00	Olivier Kontrakteur	Impractical to follow the procurement process	
[26]	1 654 331.93			
1129143	10 296.48	Hazard Bonako Cape (Pty) Ltd	Insurance Claim	
1129151	8 920.50	Hyper Doors	Insurance Claim	
[2]	19 216.98			
TOTAL	2 320 293.69			
[57]				
JUNE 2015				
246010	10 285.74	Drager South Africa	Sole Service Provider	
246001	6 957.42	AAD Truck & bus- Worcester	Sole Service Provider	
1129850	3 400.00	Durabump cc	Sole Service Provider	
1129894	23 070.75	The Evaluator Group	Sole Service Provider	
246060	13 845.00	Bentley Systems South Africa PTY LTD	Sole Service Provider	
246570	79 944.00	Safenet Africa	Sole Service Provider	
[6]	137 502.91			

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1129912	47 083.77	Wynland Engeneerbouers	Urgent Repairs/ Strip & Quote	Repairs to CW27680
245948	58 487.92	Babcock Equipment	Urgent Repairs/ Strip & Quote	
[2]	105 571.69			
1130171	3 725.52	Extreme Engineering	Services urgently required	
1130309	4 332.00	Meyer Electrical Construction	Services urgently required	
246396	11 008.98	Hazard Bonako Cape PTY LTD	Services urgently required	
1130433	17 556.00	Bitline SA 367cc	Services urgently required	
1130371	16 400.00	Brandwacht Besproeiing	Services urgently required	
1130385	2 006.40	AC Security	Services urgently required	
1130534	57 000.00	PriceWaterhouse Coopers	Services urgently required	
246246	2 200.00	Brandwacht Besproeiing	Services urgently required	
246373	2 565.00	Hydrenco PTY LTD	Services urgently required	
246560	67 146.00	Meyer Electrical Construction	Services urgently required	
245764	2 223.00	Tony's Truck Centre PTY LTD	Services urgently required	
246625	14 000.00	Ntombi Hlt Squad	Services urgently required	
[13]	200 162.90			
1130075	3 078.00	Boland Badge and Engraving	Impractical to follow the procurement process	
1130076	44 559.75	AC Security	Impractical to follow the procurement process	
245984	558 299.65	Global Force Security Services	Impractical to follow the procurement process	
245736	56 237.45	Global Force Security Services	Impractical to follow the procurement process	
245596	24 351.16	Rentokil Initial PTY LTD	Impractical to follow the procurement process	
245707	2 964.00	Boland Badge	Impractical to follow the procurement process	
245539	3 941.44	Breerivier Kommunikasie	Impractical to follow the procurement process	
245573	2 177.40	Winterbach broers	Impractical to follow the procurement process	
246122	4 332.00	Meyer Electrical Supplies	Impractical to follow the procurement process	
246011	48 797.70	Frama PTY LTD	Impractical to follow the procurement process	
244261	13 066.97	Juta & Co	Impractical to follow the procurement process	
246130	6 500.00	Toeplug Sentrum	Impractical to follow the procurement process	
246131	37 512.65	Ellen Shortels	Impractical to follow the procurement process	
246231	4 562.85	Windeed Systems	Impractical to follow the procurement process	
246232	28 500.00	IM QS Software	Impractical to follow the procurement process	
1129672	21 204.00	DDP Valuers	Impractical to follow the procurement process	
1129757	7 372.08	Chris Fick & Associates	Impractical to follow the procurement process	Legal Services
1130258	78 540.00	Boland Network and IT	Impractical to follow the procurement process	
1130260	20 160.00	Boland Network and IT	Impractical to follow the procurement process	
1130226	4 200.00	Beulah Funerals	Impractical to follow the procurement process	
1130680	6 384.00	De Vries DeWet Kroukam	Impractical to follow the procurement process	Legal Services
1129819	15 735.00	Boland Sports	Impractical to follow the procurement process	
246233	2 250.00	Oriental Foods	Impractical to follow the procurement process	
1130455	167 910.60	SRK Consulting	Impractical to follow the procurement process	
1130533	2 422.00	The Golden Valley Casino	Impractical to follow the procurement process	
246395	2 897.10	The Golden Valley Casino	Impractical to follow the procurement process	
246365	3 800.48	Wilna Roux Attorneys	Impractical to follow the procurement process	
246042	56 237.45	Global Force Security Services	Impractical to follow the procurement process	
246288	34 316.70	BP Atlantic	Impractical to follow the procurement process	extention of BV 186

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015				
Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
246440	24 351.16	Rentokil Initial PTY LTD	Impractical to follow the procurement process	
246441	136 746.42	Bytes Systems Integration division of Altron TMT PTY LTD	Impractical to follow the procurement process	
246453	179 116.21	Cape Office Machines	Impractical to follow the procurement process	extension of BV 111
246274	10 500.00	Terence Harker Argitektuur	Impractical to follow the procurement process	
246488	7 650.00	Fabulous Foods	Impractical to follow the procurement process	
242934	159 916.92	Aecom	Impractical to follow the procurement process	
246567	49 100.94	ODS Consultants cc	Impractical to follow the procurement process	
246545	8 923.05	Vision Elevators	Impractical to follow the procurement process	
246546	341 051.50	Global Force Security Services	Impractical to follow the procurement process	
246559	48 133.65	AC Security	Impractical to follow the procurement process	
246583	5 576.43	Bytes Systems Integration division of Altron TMT PTY LTD	Impractical to follow the procurement process	
246628	3 342.73	Lo- Marie Victor Arbeidsterapele	Impractical to follow the procurement process	
[44]	2 236 719.44			
[1]				
TOTAL	2 679 956.94			
[66]				
TOTAL	25 335 811.97			
Deviations: Orders cancelled				
1121475	82 558.80	Business Engineering PTY LTD	Services urgently required	
1122157	18 424.00	Capital Security	Services urgently required	
1122451	1 027 458.22	CBI Electric African cables	Services urgently required	
1121726	146 002.36	Riding & Watt	Exceptional case where it is impractical to follow the procurement process	Specialised services in respect of Subdivision of ervens
1122993	255 591.92	Powerrec	Services urgently required	Emergency- equipment for contact centre
1123613	2 876.35	Kaap Agri	Services urgently required	Emergency
1122806	53 949.68	Global Force Security Services	Exceptional case where it is impractical to follow the procurement process	month-to-month extension of security services while awaiting the outcomes of the feasibility study
1123619	45 934.70	AC Security	Exceptional case where it is impractical to follow the procurement process	security services as per agreement with AC Security
1124116	30 684.00	ODS Consultant cc	Exceptional case where it is impractical to follow the procurement process	Specialist in this field
239753	9 361.21	Capital Security	Emergency	
240036	40 914.60	Worcester Build It	Emergency	
238835	6 463.80	Automated Fleet Solutions (PTY) LTD	Sole Supplier	
1125612	16 872.00	ODS Consultants	Impractical to follow the procurement process	
1125495	2 850.00	Tony's Truck Centre	Impractical to follow the procurement process	Urgent towing of digger loader to the nearest workshop
1126215	301 416.00	IDI Technology Solutions (Pty) Ltd	Sole Service Provider	BV 385
1126234	430 920.00	ABB South Africa PTY LTD	Emergency	
1126238	15 827.00	Vision Elevators	Impractical to follow the procurement process	
1126540	180 838.00	BP Atlantic	Impractical to follow the procurement process	Extension of BV 186
1126967	5 700.00	De Vries De Wet Kroukam	Impractical to follow the procurement process	Legal services
242721	7 796.46	Idex Laboratories PTY LTD	Sole Service Provider	
238822	48 008.66	Audensberg Toyota	Urgent Repairs/ Strip & Quote	
242113	2 457.75	Voltex Worcester	Repairs or replacements of PPE as part as insurance claims	Insurance
242105	15 179.37	Voltex Worcester	Repairs or replacements of PPE as part as insurance claims	Insurance
242124	12 604.32	Voltex Worcester	Repairs or replacements of PPE as part as insurance claims	Insurance
1128541	20 295.00	Kaap Agri	Sole Service Provider	

DEVIATIONS FOR THE PERIOD JULY 2015 TILL JUNE 2015

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1128543	10 260.00	Winterbach Broers	Emergency	
1128066	16 616.64	ODS Consultant	Impractical to follow the procurement process	
1128031	62 130.00	Andre Burger Raadgewende Ingenieur	Impractical to follow the procurement process	
245341	8 179.50	Drager SA (Pty) Ltd	Sole Service Provider	
245193	44 861.50	The Valuator group	Sole Service Provider	
243569	30 039.00	Boland Hydraulics	Urgent Repairs/ Strip & Quote	Repairs to CW26748
244342	67 674.96	First Technology Western Cape (Pty) Ltd	Impractical to follow the procurement process	Compatibility
245345	4 100.00	NT Designs	Impractical to follow the procurement process	
246028	12 483.00	Tony's Truck Centre PTY LTD	Services urgently required	
245846	16 872.00	ODS Consultants cc	Impractical to follow the procurement process	
246132	5 495.00	Cleaning Zone	Impractical to follow the procurement process	
246009	7 524.00	Frama PTY LTD	Impractical to follow the procurement process	
246346	7 840.81	Virtualize PTY LTD	Insurance	
	3 075 060.61			
	28 410 872.58			

BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2015
APPENDIX L

INVESTMENT REGISTER

Date Invested	Name of Institution	ID	Account number	Interest	Period	Amount Invested	Expiry Date	Amount Recd	Date	Receipt Number	Interest	Actual Interest	Difference
											0.00		0.00
09-May-14	ABSA	43	2074328739	5.80%	61	5 000 000	09-Jul-14	5 000 000	09-Jul-14	5000339723	48 465.75	48 465.75	0.00
09-May-14	NEDBANK	44	3/7881531576/179	5.95%	61	10 000 000	09-Jul-14	10 000 000	09-Jul-14	5000339836	99 438.36	99 438.36	0.00
09-May-14	STANDARD	45	088786943-009	5.775%	62	5 000 000	10-Jul-14	5 000 000	10-Jul-14	5000339991	49 047.95	43 869.86	5 178.09
											0.00	5 178.09	-5 178.09
28-May-14	NEDBANK	50	3/7881531576/181	5.95%	61	5 000 000	28-Jul-14	5 000 000	28-Jul-14	5000340915	49 719.18	49 719.18	0.00
28-May-14	STANDARD	51	088786943-011	5.825%	61	5 000 000	28-Jul-14	5 000 000	28-Jul-14	5000340916	48 674.66	48 674.66	0.00
											0.00		0.00
												295 345.90	
											0.00		0.00
09-May-14	STANDARD	46	088786943-010	5.80%	90	5 000 000	07-Aug-14	5 000 000	07-Aug-14	5000341721	71 506.85	71 506.85	0.00
09-May-14	ABSA	47	2074328810	5.85%	91	5 000 000	08-Aug-14	5 000 000	11-Aug-14	5000341902	72 924.66	72 924.66	0.00
09-May-14	INVESTEC	48	DB MM14050958928	5.90%	91	10 000 000	08-Aug-14	10 000 000	11-Aug-14	5000341903	147 095.89	147 095.89	0.00
28-May-14	ABSA	52	2074375231	5.88%	90	5 000 000	26-Aug-14	5 000 000	26-Aug-14	6000180555	72 493.15	72 493.15	0.00
28-May-14	NEDBANK	53	3/7881531576/182	6.00%	91	5 000 000	27-Aug-14	5 000 000	27-Aug-14	4000342362	74 794.52	74 794.52	0.00
											0.00		0.00
												438 815.07	
											0.00		0.00
09-May-14	NEDBANK	49	3/7881531576/180	6.20%	123	5 000 000	09-Sep-14	5 000 000	09-Sep-14	5000343916	104 465.75	104 465.75	0.00
21-Aug-14	INVESTEC	58	DB MM14082166099	6.00%	32	10 000 000	22-Sep-14	10 000 000	22-Sep-14	6000183007	52 602.74	52 602.74	0.00
28-May-14	NEDBANK	54	3/7881531576/183	6.15%	124	5 000 000	29-Sep-14	5 000 000	30-Sep-14	6000183329	104 465.75	104 465.75	0.00
28-May-14	STANDARD	55	088786943-012	6.075%	124	5 000 000	29-Sep-14	5 000 000	30-Sep-14	6000183328	103 191.78	103 191.78	0.00
											0.00		0.00
												364 726.02	
											0.00		0.00
21-Aug-14	STANDARD	59	088786943-013	6.325%	60	5 000 000	20-Oct-14	5 000 000	20-Oct-14	1300177040	51 986.30	51 986.30	0.00
21-Aug-14	ABSA	60	2074583480	6.27%	61	10 000 000	21-Oct-14	10 000 000	21-Oct-14	6000185448	104 786.30	104 786.30	0.00
21-Aug-14	NEDBANK	61	3/7881531576/184	6.25%	61	5 000 000	21-Oct-14	5 000 000	21-Oct-14	6000185449	52 276.03	52 276.03	0.00
28-May-14	ABSA	56	2074375223	6.25%	152	5 000 000	27-Oct-14	5 000 000	27-Oct-14	1300177317	130 136.99	130 136.99	0.00
28-May-14	INVESTEC	57	DB MM14052860116	6.20%	154	5 000 000	29-Oct-14	5 000 000	29-Oct-14	1300177534	130 794.52	130 794.52	0.00
											0.00		0.00
												469 930.14	
											0.00		0.00
21-Aug-14	STANDARD	62	088786943-014	6.375%	90	10 000 000	19-Nov-14	10 000 000	20-Nov-14	1300179413	157 191.78	157 191.78	0.00
21-Aug-14	ABSA	63	2074583529	6.32%	91	5 000 000	20-Nov-14	5 000 000	20-Nov-14	1300179414	78 783.56	78 783.56	0.00
21-Aug-14	NEDBANK	64	3/7881531576/185	6.35%	91	10 000 000	20-Nov-14	10 000 000	20-Nov-14	1300179415	158 315.07	158 315.07	0.00
21-Aug-14	INVESTEC	65	DB MM14082166100	6.20%	92	5 000 000	21-Nov-14	5 000 000	24-Nov-14	6000186358	78 136.99	78 136.99	0.00
											0.00		0.00
												472 427.40	
											0.00		0.00
21-Aug-14	ABSA	66	2074583707	6.42%	123	5 000 000	22-Dec-14	5 000 000	22-Dec-14	2000228147	108 172.60	108 172.60	0.00
											0.00		0.00
												108 172.60	
											0.00		0.00
02-Dec-14	INVESTEC	68	DB RK14120273170	6.05%	31	10 000 000	02-Jan-15	10 000 000	06-Jan-15	6000188343	51 383.56	51 383.56	0.00
02-Dec-14	ABSA	69	2074806901	6.17%	34	10 000 000	05-Jan-15	10 000 000	06-Jan-15	6000188344	57 473.97	57 473.97	0.00
02-Dec-14	NEDBANK	70	3/7881531576/186	6.17%	34	10 000 000	05-Jan-15	10 000 000	06-Jan-15	6000188345	57 473.97	57 473.97	0.00
21-Aug-14	STANDARD	67	088786943-015	6.650%	151	5 000 000	19-Jan-15	5 000 000	20-Jan-15	4000348825	137 554.79	137 554.79	0.00
											0.00		0.00
												303 886.29	
											0.00		0.00
02-Dec-14	ABSA	71	2074806846	6.25%	62	5 000 000	02-Feb-15	5 000 000	05-Feb-15	4000349308	53 082.19	53 082.19	0.00
02-Dec-14	NEDBANK	72	3/7881531576/187	6.32%	62	5 000 000	02-Feb-15	5 000 000	05-Feb-15	4000349309	53 676.71	53 676.71	0.00
21-Jan-15	NEDBANK	75	3/7881531576/188	6.240%	33	10 000 000	23-Feb-15	10 000 000	23-Feb-15	5000351655	56 416.44	56 416.44	0.00
											0.00		0.00
												163 175.34	
											0.00		0.00
02-Dec-14	ENB	74	74508401929	6.20%	92	5 000 000	05-Mar-15	5 000 000	06-Mar-15	5000351890	78 136.99	78 136.99	0.01
21-Jan-15	ABSA	76	2074906369	6.20%	61	10 000 000	23-Mar-15	10 000 000	23-Mar-15	4000351273	103 616.44	103 616.44	0.00
21-Jan-15	NEDBANK	77	3/7881531576/189	6.34%	61	10 000 000	23-Mar-15	10 000 000	23-Mar-15	4000351274	105 956.16	105 956.16	0.00
21-Jan-15	INVESTEC	78	DB JP15012176262	6.30%	62	10 000 000	24-Mar-15	10 000 000	24-Mar-15	4000351300	107 013.70	107 013.70	0.00
26-Feb-15	NEDBANK	82	3/7881531576/190	6.32%	32	10 000 000	30-Mar-15	10 000 000	30-Mar-15	3000332297	55 408.22	55 408.22	0.00
											0.00		0.00
												450 131.50	
											0.00		0.00
02-Dec-14	STANDARD	73	088786943-016	6.35%	121	5 000 000	02-Apr-15	5 000 000	07-Apr-15	3000332488	105 253.42	105 253.42	0.00
21-Jan-15	ABSA	79	2074906424	6.28%	90	10 000 000	21-Apr-15	10 000 000	22-Apr-15	5000352828	154 849.32	154 849.32	0.00
21-Jan-15	STANDARD	80	088786943-017	6.225%	91	10 000 000	22-Apr-15	10 000 000	23-Apr-15	6000193223	155 198.63	155 198.63	0.00
											0.00		-867.64
21-Jan-15	INVESTEC	81	DB JP15012176263	6.40%	92	10 000 000	23-Apr-15	10 000 000	24-Apr-15	4000352393	161 315.07	161 315.07	0.00
26-Feb-15	ABSA	83	2074998041	6.17%	61	10 000 000	28-Apr-15	10 000 000	28-Apr-15	4000352508	103 115.07	103 115.07	0.00
26-Feb-15	INVESTEC	84	DB MM15022679031	6.25%	62	10 000 000	29-Apr-15	10 000 000	29-Apr-15	6000193408	106 164.38	106 164.38	0.00
											0.00		0.00
												786 763.53	
											0.00		0.00
26-Mar-15	ABSA	87	2075071004	6.27%	61	5 000 000	26-May-15	5 000 000	26-May-15	5000354158	52 393.15	52 393.15	0.00
26-Mar-15	INVESTEC	88	DB JP15032681086	6.25%	61	5 000 000	26-May-15	5 000 000	26-May-15	6000194811	52 226.03	52 226.03	0.00
27-Mar-15	NEDBANK	95	3/7881531576/193	6.42%	61	10 000 000	27-May-15	10 000 000	27-May-15	3000335000	107 293.15	107 293.15	0.00
26-Feb-15	STANDARD	85	088786943-018	6.175%	91	5 000 000	28-May-15	5 000 000	27-May-15	4000353416	76 976.03	75 666.30	1 309.73
											0.00		0.00
												287 578.63	
											0.00		0.00
23-Apr-15	STANDARD	96	088786943-020	6.425%	63	5 000 000	25-Jun-15	5 000 000	26-Jun-15	3000336626	55 448.63	55 448.63	0.00
					1		26-Jun-15		26-Jun-15	3000336626	880.14	879.14	1.00
											0.00		-1.00
26-Mar-15	INVESTEC	89	DB JP15032681087	6.40%	90	5 000 000	24-Jun-15	5 000 000	24-Jun-15	6000198277	78 904.11	78 904.11	0.00
26-Mar-15	NEDBANK	90	3/7881531576/192	6.545%	91	5 000 000	25-Jun-15	5 000 000	26-Jun-15	3000336625	81 588.36	81 588.36	0.00
26-Mar-15	ABSA	91	2075070993	6.35%	92	5 000 000	26-Jun-15	5 000 000	26-Jun-15	3000336627	80 027.40	80 027.40	0.00
26-Feb-15	STANDARD	86	088786943-019	6.475%	124	5 000 000	30-Jun-15	5 000 000	30-Jun-15	6000198454	109 986.30	109 986.30	0.00
											0.00		-13.39
												428.70	-428.70
											0.00		0.00
												350 948.26	
											0.00		0.00

INVESTMENT REGISTER

137